

# PUERTO RICO CORE LLC PENSION PLAN



**Notificación de Ayuda  
Disponible Para Interpretación de Este Folleto**

Este folleto contiene un compendio en inglés de sus derechos y beneficios como participante del Plan de Pensión de Chevron Phillips Chemical Puerto Rico Core LLC. Si usted tuviera alguna pregunta sobre la información que provee este folleto favor de recurrir al Sr. David Heinsohn en su oficina de la Chevron Phillips Chemical Company LP, localizada en 10001 Six Pines Drive, Suite 7094A, The Woodlands, TX 77380 durante horas laborables que son desde las 8:00 AM hasta las 5:00 PM de lunes a viernes.

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**Notice of Assistance**

This booklet contains a summary in English of your plan rights and benefits under the Chevron Phillips Chemical Puerto Rico Core LLC Pension Plan. If you have difficulty understanding any part of this booklet, contact Mr. David Heinsohn at his office: Chevron Phillips Chemical Company LP, 10001 Six Pines Drive, Suite 7094A, The Woodlands, TX 77380. Office hours are 8:00 a.m. to 5:00 p.m., Monday through Friday.

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## SOME PRELIMINARY INFORMATION

### What is this booklet about?

This booklet is your Summary Plan Description of the Chevron Phillips Chemical Puerto Rico Core LLC Pension Plan (“Plan”). The booklet is a summary of the major provisions of the Plan and was written to help you understand your Plan and what it can do for you. Although your basic rights and those of the Company are explained in the following pages, this booklet does not contain every detail and technical aspect of the Plan which are addressed in the comprehensive official text of the Plan. ALL RIGHTS AND OBLIGATIONS OF THE COMPANY AND EMPLOYEES ARE GOVERNED BY THE OFFICIAL TEXT OF THE PLAN. IN THE CASE OF ANY INCONSISTENCY BETWEEN THE OFFICIAL TEXT OF THE PLAN AND THIS BOOKLET, THE OFFICIAL TEXT OF THE PLAN WILL CONTROL. This booklet is only a summary description of that official text.

If you would like to discuss your Plan benefits in greater detail, the Plan Administrator, Mr. David Heinsohn, will be happy to help you.

This booklet describes benefits available under the Plan to employees of Chevron Phillips Puerto Rico Core LLC. This edition of the booklet is current as of January 1, 2021.

### What are the highlights of the Plan?

Here are the highlights of your Plan:

- **Eligibility** — Normally you become eligible to participate in the Plan on the first day of the month in which you become an employee.
- **Contributions** — Chevron Phillips Chemical Puerto Rico Core LLC pays the entire cost of your benefit; contributions from you are not allowed.
- **Retirement Benefits** — The Plan can provide you a monthly income for life when you retire. At Normal Retirement Date, your monthly benefit is computed by the formula:

$$\text{Average Regular Earnings} \times \text{Years of Credited Service} \times 1\%$$

- **Normal Retirement Date** — This is the first day of the month coinciding with or next following your 65th birthday. For example, if you are 65 on March 1, your Normal Retirement Date is March 1. If you are 65 on March 5, then April 1 is your Normal Retirement Date. You may qualify for retirement benefits as early as your earliest Early Retirement Date (normally age 55) if you have completed at least five Years of Vesting Service with the Company. Your **“Early Retirement Date”** can be the first of any month in the 10 years before your Normal Retirement Date.
- **Death Benefits** — If you die before or after retirement, the Plan can provide monthly income to your surviving spouse.

### Who sponsors and administers the Plan?

Here are some additional facts you should know about your Plan.

#### Plan Sponsor and Plan Year

The **“Plan Sponsor”** is:

Chevron Phillips Chemical Company LP  
10001 Six Pines Drive  
The Woodlands, TX 77380-1498

The Company’s **“employer identification number,”** as assigned by the Internal Revenue Service (IRS), is 26-1428318. The **“plan number”** of the Plan is 005.

The **“Plan Year”** is each period from January 1 through December 31.

#### Plan Administrator

The Plan is a **“defined benefit plan,”** administered by a Benefits Committee according to an official text. The Benefits Committee appoints a Plan Administrator, who is responsible for day-to-day operation of the Plan. You may contact the Benefits Committee through:

Chevron Phillips Chemical Company LP  
Benefits Committee  
10001 Six Pines Drive  
The Woodlands, TX 77380  
Office Phone: (832) 813-4853

### Legal Process

Legal process may be served on Office of General Counsel, Chevron Phillips Chemical Company LP, 10001 Six Pines Drive, The Woodlands, TX 77380. Legal process may also be served on the Benefits Committee.

## PARTICIPATION

### When may I join the Plan?

You become a participant in the Plan on the day in which you become an employee of Chevron Phillips Chemical Puerto Rico Core LLC (the "Company"), provided you are on the Company's direct dollar payroll. Leased employees and persons on Payroll 74Y0X, successor payroll number 74YX6 or any other successor payroll or organizational number are excluded from participation. If you are eligible, your participation is automatic. You do not need to advise the Plan Administrator that you wish to participate.

If you were participating in the Chevron Phillips Chemical Puerto Rico Core LLC Pension Plan, as in effect on December 31, 1975 (the "**Prior Plan**"), your participation automatically continued under this Plan, effective January 1, 1976.

### What if I retire, then am re-employed by the Company?

If you commence monthly retirement benefits, then are re-employed, you will begin actively participating upon rehire. You would cease receiving retirement income benefits during the period of continued employment, and all elections you made concerning the form of such benefit would be cancelled.

## TRANSFERS

### What happens if I transfer to an Affiliated Company?

If you are transferred to an Affiliated Company that does not have this Plan, you will remain a participant in this Plan, but your normal retirement benefit under this Plan will be based only on your Credited Service and Average Regular Earnings before the transfer. You will continue to earn Years of Vesting Service.

### What if I transfer from an Affiliated Company?

If you are transferred from an Affiliated Company to this Company, you shall be a participant in this Plan upon becoming an employee and will thereafter accrue Credited Service under this Plan. Your Credited Service under the Affiliated Company's plan, if earned after June 30, 1971, will be used to determine your retirement income under this Plan. The retirement benefit you earned after June 30, 1971, in the Affiliated Company's plan will be deducted from your retirement benefit under this Plan.

### What if I return to the Company after transferring?

If you transfer to an Affiliated Company and then transfer back to the Company, your retirement benefit will be computed under this Plan as if you had always been with the Company. The retirement benefit you earned under the Affiliated Company's plan will be deducted from your retirement benefit under this Plan. This provision is intended to provide a retirement benefit equal to what you would have received if you had always worked for the Company, although payment may come partly from this Plan and partly from the Affiliated Company's plan.



## FINANCING

### Who pays for my benefits?

Chevron Phillips Chemical Puerto Rico Core LLC makes all contributions necessary to pay for your retirement benefit.

Employee contributions are not allowed.

### Where are Company contributions invested?

The funds are held under a trust agreement with Banco Popular de Puerto Rico, Popular Fiduciary Services, Edif. Norte, 4<sup>to</sup> Nivel, Popular Center, 209 Ave. Muñoz Rivera, San Juan, Puerto Rico 00918. Any funds needed to fund the Plan (as determined by the Plan actuary) will be contributed by the Plan Sponsor.

## RETIREMENT BENEFITS

### When can retirement benefits start?

Before you can start benefits, you must:

- Send a completed APPLICATION FOR COMMENCEMENT OR DEFERRAL OF RETIREMENT BENEFITS form, executed before your elected commencement date, to the Plan Administrator. This notice form must be received by the Plan Administrator by the last day of the month of your desired commencement date; and
- Properly complete and deliver all forms required for commencement including an ANNUITY ELECTION FORM, which must be completed and delivered to the Plan Administrator no earlier than 90 days prior to your commencement date and no later than the last day of the calendar month your elected commencement date occurs.

You can start benefits on the first day of any month in the 120-month period before your Normal Retirement Date if you have also completed five Years of Vesting Service. However, benefit payments cannot begin prior to your separation from service with Phillips Puerto Rico Core and Phillips, and termination of employment from any successor employer.

If your birthday is on the first day of the month, your **“Normal Retirement Date”** is your 65th birthday. If your birthday is not on the first day of the month, your Normal Retirement Date is the first day of the month following your 65th birthday. If you choose, you can normally work beyond your Normal Retirement Date. If you continue your employment after your Normal Retirement Date and you are eligible to participate, you will continue to earn additional Credited Service and your additional earnings may result in increased monthly retirement benefit amounts. However, the amount of your benefits will not increase solely because of the deferral of the commencement of your benefits beyond your Normal Retirement Date, and you will forfeit the monthly payments you could have received after your Normal Retirement Date and prior to your actual commencement date. Certain executives entitled to retirement income above specified levels are not eligible to delay retirement past age 65.

A **“Year of Vesting Service”** is credited to you under the Prior Plan for each calendar year of continuous service before 1976 (one-twelfth of a Year of Vesting Service will be credited for months of continuous service less than a full year served before 1976). Employees who, prior to 1976, customarily worked less than 20 hours a week for less than five months in any calendar year are deemed to have an initial date of hire on January 1, 1976.

For periods after 1975:

- A Year of Vesting Service is credited to you if you complete 1,000 Hours of Service in the 12-month period following your date of hire, or date of rehire following a Break in Service, and ending on the day before the first anniversary of such date.
- A Year of Vesting Service is also credited to you for each subsequent 12-month period, beginning on the first day of the month in which the anniversary of your date of hire (or date of rehire following a Break in Service) occurs, in which you complete 1,000 Hours of Service.

## What are my benefits on or after normal retirement?

When you retire on your Normal Retirement Date or later, your monthly retirement benefit will be equal to:

Average Regular Earnings during the highest 60 consecutive month period during the last 120 months of participation prior to retirement\*

$$\begin{array}{r} \times \\ \text{Years of Credited Service} \\ \times \\ 1\% \end{array}$$

\* Different formulas apply to participants whose employment terminated prior to January 1, 1984. Benefit amounts for those participants were furnished at the time of termination, and a copy of those statements can be obtained by writing the Plan Administrator. Benefit amounts for participants receiving benefits will continue in the same amounts and form currently in effect.

If you have completed less than 60 months of Plan participation prior to your Normal Retirement Date, your **“Regular Earnings”** will be averaged over the number of months you participated in the Plan.

**“Regular Earnings”** normally means those earnings each month that would be reported on your Internal Revenue Service Form W-2. However, if you are absent from service due to sick leave or Inactive Employee Status, your Regular Earnings won't be less than:

- (a) your monthly salary rate, if you are a full-time salaried employee;
- (b) your wages for a regularly scheduled work week at your regular rate in effect on the first day of each calendar month, multiplied by  $4\frac{1}{3}$ , if you are a full-time hourly employee; or
- (c) your straight time pay for a year divided by the hours you actually worked in such year and multiplied by  $173\frac{1}{3}$ , if you are not a full-time employee.

Regular Earnings will also include back pay if an arbitrator's award specifies that back pay is to be included for back benefits.

Regular Earnings will **not** be credited during your absence for longer than six months, unless the absence is due to total and permanent disability, and then not beyond your Normal Retirement Date. Regular Earnings are limited to no more than \$24,166.67 per month (for Plan Year 2021), as adjusted by the Internal Revenue Code.

**“Credited Service”** is calculated in the following ways:

- (a) for participation before 1976, you receive  $\frac{1}{12}$  of a Year of Credited Service for each full month of service completed before January 1, 1976; and
- (b) for participation in the Plan on and after January 1, 1976, you receive one Year of Credited Service for each year you complete 2,080 Hours of Service during such year, and a partial Year of Credited Service if you complete less than 2,080 Hours of Service during such year. This partial Year of Credited Service is calculated by dividing your Hours of Service completed in that year, by 2,080.

Periods for which you received a monthly benefit from the Plan are not counted as Credited Service, even if you are re-employed by the Company.

**“Year”** means:

- (a) the period beginning on your initial date of hire, or the date of rehire following your last Break in Service (see “Vesting — Could I lose benefits?” on page 10), whichever is later, and ending with the day before your first anniversary of your initial hire date or rehire date, whichever is applicable; or
- (b) any other 12 consecutive month period beginning with the first day of the month in which the anniversary of your date of hire or rehire occurs.

**“Hour of Service”** is an hour that you actually work, or for which you are entitled to be paid, such as vacations and holidays.

Even if you have not retired, you must start receiving retirement benefits by March 1 of the calendar year following the year in which you become age  $70\frac{1}{2}$  unless you became  $70\frac{1}{2}$  before January 1, 1988, in which case you must commence benefits by the first of the month in which you retire, if later.

### What happens if I retire early?

If you retire early, that is, your employment terminates during the 120-month period before your Normal Retirement Date, your benefit amount will be based on how many months early you start your benefit payments.

In the event you elect to retire at any time prior to your Normal Retirement Date, it is your responsibility to inform the Plan Administrator so that he can provide you with the appropriate information including payment options.

Your monthly benefit is figured using the same formula that is used in calculating your normal retirement benefit, except there is a reduction. Your early retirement benefit will be the greater of:

- (a) your normal retirement benefit reduced by 1/180th for each of the first 60 months your Early Retirement Date precedes your Normal Retirement Date and 1/360th for each of the next 60 months your Early Retirement Date precedes your Normal Retirement Date; or
- (b) your normal retirement benefit reduced by .5% for each full month your Early Retirement Date precedes your Normal Retirement Date.

The reduction is to account for you receiving more payments than if you began receiving payments at age 65.

Your benefit will be further reduced if you choose a joint and survivor annuity option that will provide a survivor's annuity to a person you designate.

If you are eligible and retire early, you can delay the start of Plan payments, but not beyond your Normal Retirement Date.

### What if I terminate before my earliest retirement age?

If you are vested and you **terminate before your earliest retirement age** (generally age 55), your monthly benefit will be reduced by .5% for each month that you start your benefit before age 65. This reduction is equal to 6% per year. For example, assume you terminate at age 50, were eligible for a monthly benefit of \$300 at age 65, and chose to start retirement payments at age 61 (four years before age 65). Your \$300 benefit would be reduced by 24% (four years x 6% per year), so you would receive \$228 per month (\$300 minus \$72, which is 24% of \$300).

### How are Social Security benefits paid?

Your total retirement income may include benefits from Social Security as well benefits from this Plan.

You and the Company each pay equal taxes to provide your Social Security benefit. The amount you receive depends on your earnings history and on Social Security law in effect at the time you begin receiving Social Security benefits.

Social Security benefits normally begin at around age 65, but currently can start as early as age 62. In some circumstances, your spouse can receive a benefit equal to at least one-half of yours.

Social Security benefits are in addition to your benefits under this Plan. Call your local Social Security Office if you have questions about these benefits.



### May I see examples of Plan benefit calculations?

One of the best ways to see how the Plan works is to look at examples.

Let's assume that you are retiring on your Normal Retirement Date (the first day of the month after you are age 65) with 30 Years of Credited Service, and the following earnings history for your highest 60 consecutive months during the last 120 months before retirement:

FINAL 60 MONTHS	MONTHLY REGULAR EARNINGS	ACCUMULATED EARNINGS
Age 60 – 62 (24 months)	\$2,060 (\$11.88/hr.)	\$ 49,440
Age 62 – 64 (24 months)	\$2,160 (\$12.46/hr.)	\$ 51,840
Age 64 – 65 (12 months)	\$2,270 (\$13.10/hr.)	\$ 27,240
<b>Total 60 months</b>		<b>\$128,520</b>

Therefore, \$128,520 divided by 60 months gives an Average Regular Earnings of \$2,142.

Using the "Average Regular Earnings x Years of Credited Service x 1%" benefits formula, the monthly normal retirement benefit would be:

$$\begin{array}{r}
 \$ 2,142.00 \text{ Average Regular Earnings} \\
 \times \quad \quad \quad 30 \text{ Years of Credited Service} \\
 \hline
 \$ 64,260.00 \\
 \times \quad \quad \quad 1\% \\
 \hline
 \$ 642.60 \text{ Monthly Normal Retirement Benefit at age 65}
 \end{array}$$

Let's now assume that you are retiring at age 59 with the same earnings history as above (but for ages 54 – 59), that you have 30 Years of Credited Service, and you desire to start retirement benefits at age 59.

Applying the reduction formulas shown under "What happens if I retire early?" on the previous page, your reduced monthly benefit would be calculated as follows, and equal the **greater** of (a) or (b) below:

$$\begin{array}{r}
 \text{(a) Monthly Normal Retirement Benefit at age 65} \dots\dots\dots \$642.60 \\
 \text{Early Retirement Reduction:} \\
 \$214.20 \text{ First 60 months } (1/180 \times 60 \times \$642.60) \\
 21.42 \text{ Next 12 months } (1/360 \times 12 \times \$642.60) \\
 \$235.62 \text{ Total Early Retirement Reduction} \dots\dots\dots \underline{-235.62} \\
 \text{Monthly Early Retirement Benefit at age 59} \dots\dots\dots \$406.98 \\
 \\
 \text{(b) Monthly Normal Retirement Benefit at age 65} \dots\dots\dots \$642.60 \\
 \text{Early Retirement Reduction:} \\
 (.5\% \times 72 \text{ months} \times \$642.60) - \$231.34 \dots\dots\dots \underline{-231.34} \\
 \text{Monthly Early Retirement Benefit at age 59} \dots\dots\dots \$411.26
 \end{array}$$

Thus, your reduced monthly early retirement benefit at age 59 would be \$411.26, which is the greater result of the two early receipt reduction formulas.

## What forms of benefit payments are available?

Prior to your commencement date, you must elect the form in which your benefit will be paid. The election must be made within the 90-day period prior to your commencement date. You must be alive on your commencement date for any election to be effective. You may revoke your election only through the later of: (a) 7 days after the date you execute your Annuity Election Form or (b) the day prior to your requested commencement date. Your revocation must be in writing and received by the Plan Administrator by the applicable revocation expiration date. After your election becomes effective, the form in which your benefit is paid cannot be changed except as specified on the Annuity Election Form. You should choose your form of benefit after careful consideration. You are strongly encouraged to seek professional advice. There are significant differences between the financial and tax impacts of the different forms.

### Two Forms of Payment

Your monthly benefit can be paid in either of two forms: regular monthly payment for your lifetime or as a joint and survivor annuity.

- **Lifetime Monthly Annuity** payments are made for your lifetime only. No additional payments are made to anyone after your death. Unless you retire early, this form of benefit requires no reduction from the formula you use to figure your retirement benefit.
- **Joint and Survivor Annuity** payments are made for your lifetime, and after you die, for the lifetime of your designated survivor annuitant. Your **“designated survivor annuitant”** is a person chosen by you to receive a chosen percentage of your monthly retirement income after your death if that person survives you. You designate the percentage (limited to 100%, 75%, 66<sup>2</sup>/<sub>3</sub>%, 50%, 33<sup>1</sup>/<sub>3</sub>% or 25%) of your monthly retirement income to be continued to your designated survivor annuitant at the time you elect to receive a joint and survivor annuity. Payments to you are lower than with the lifetime monthly payments. This is to provide for the survivor annuity payments continuing beyond

your death. A survivor benefit for a non-spouse contingent annuitant cannot reduce your benefit below 50%.

### Automatic Forms of Payment

The automatic form of payment under the Plan depends upon your marital status at the time your benefits start.

If you are **“single”** on the date your benefits commence, you will automatically receive lifetime monthly annuity payments unless you elect an optional form of joint and survivor annuity. If you are **“married”** on your commencement date, payment of your benefit will automatically be made by an annuity which provides a reduced lifetime monthly income for you, and upon your death, a lifetime monthly income for your spouse equal to one-half of the monthly amount you were receiving, unless you elect otherwise and have your spouse’s written approval. This annuity is referred to as a **“spousal joint and ½ survivor annuity.”**

If you do not want to receive payment of your benefit in the form of a spousal joint and ½ survivor annuity, you must obtain your spouse’s written witnessed consent and inform the Plan Administrator in writing within the 90-day period prior to commencement that you have decided **NOT** to take the spousal joint and ½ survivor annuity. You may elect one of the other forms of payment available to participants if you elect **NOT** to receive the spousal joint and ½ survivor annuity. Your spouse’s written consent must be witnessed by an authorized Plan representative or a Notary Public, and your spouse must also consent to the optional form of payment you select. You may change your decision with your spouse’s consent and make another election with your spouse’s consent if you do so within the election period.

### *Lump-Sum Option for Participants Who Retire on or After October 1, 2008*

If you retire on or after October 1, 2008, you may elect to receive your benefit in a lump-sum payment of “Equivalent Actuarial Value” in lieu of any annuity payment or any other benefit payable from the Plan. In determining the amount of a lump-sum payment payable under this paragraph, Equivalent Actuarial Value (i) shall mean, in the case of a participant who has not reached his Early Retirement Date, a benefit of equivalent value to the benefit which would otherwise have been provided commencing at the participant’s Normal Retirement Date, and, in the case of a participant who has reached his Early Retirement Date, a benefit of equivalent value to the benefit which would otherwise have been provided commencing at the earliest date he could have commenced payment; and (ii) shall be the equivalent actuarial value determined by using the IRS Mortality Table and the IRS Interest Rate. In no event shall a lump-sum payment be made following the date retirement payments have commenced as an annuity. A lump-sum payment option may only be selected if a married participant’s spouse consents in writing to the distribution.

### *Other Rules on Forms of Payments*

Before your retirement date, you will receive a description of the terms and conditions of the spousal joint and ½ survivor annuity, the election period, a description of the other available forms of payment and a general description of the financial effect of not choosing the spousal joint and ½ survivor annuity, if you are married.

If you elect a joint and survivor annuity and either you or your designated survivor annuitant dies before the date benefit payments are to begin, the election to receive the joint and survivor annuity will **not** be effective.

Once your benefits have started under a joint and survivor annuity election, if your designated survivor annuitant dies before you do, you will continue to receive the same reduced monthly payments as before your designated survivor annuitant’s death.

The reduction in your payment to provide the survivor’s annuity will **not** be restored.

If you retire before your Normal Retirement Date, and start benefits as a lifetime monthly annuity, you may change to a joint and survivor annuity at your Normal Retirement Date. If you retire before your Normal Retirement Date and start benefits as a joint and survivor annuity with your spouse designated as survivor annuitant to receive 50% or less of the monthly amount you receive, you may change to a joint and survivor annuity of 50% or greater at your Normal Retirement Date. To make this change, your spouse must continue to be the survivor annuitant. The above changes may only be elected within the 90-day period before your Normal Retirement Date.

## **SURVIVOR BENEFITS**

### **What happens if I die before retirement?**

If you are married and vested, pre-retirement death benefit coverage will protect your spouse between the time you become vested and the time you commence your retirement benefits. Your spouse will be entitled to receive this death benefit at times described in this section, provided you and your spouse have been married to one another continuously for the 12 consecutive months before your death. This pre-retirement death benefit coverage ends on the date you commence receipt of retirement benefits.

Your spouse will receive a pre-retirement, survivor’s annuity based on the amount of the benefits that you earned up to your date of death. The survivor’s annuity payments normally will start at the time you would have reached age 65, but your spouse can elect to begin them as early as your earliest Early Retirement Date, or on the first of the month after your death, if later. A reduction will be made to your age 65 benefit to recognize the payment of a survivor’s annuity, and a further reduction made if your spouse elects to start the survivor’s annuity benefits before your Normal Retirement Date.

For example, if you die **after** your earliest Early Retirement Date (normally age 55) and before you commence your retirement benefit, and your spouse elects to start benefits immediately, your spouse will receive one-half the monthly payment you would have received under the spousal joint and ½ survivor annuity option if you had retired the day before your death. As another example, if you die **before** your earliest Early Retirement Date, and your spouse elects to start benefits at the earliest possible date (your age 55), your spouse will receive one-half the monthly payment you would have received under the spousal joint and ½ survivor annuity option had you terminated your employment on your date of death, lived to your earliest Early Retirement Date and began retirement benefits on that date.

The pre-retirement death benefit coverage is currently at no charge to you; however, if you had this pre-retirement coverage before August 23, 1984, because you elected to be covered during that period, the retirement benefit you will be entitled to receive upon retirement will be reduced to reflect the cost of providing this protection.

## VESTING

### When will my benefits be vested?

You earn the right to receive benefits from the Plan through your Years of Vesting Service and participation in the Plan.

Your right to receive Plan benefits becomes vested (nonforfeitable) on the earlier of the following to occur:

- When you complete five Years of Vesting Service; or
- When you reach age 65.

If you leave the Company before either reaching age 65 or completing five Years of Vesting Service, you will not receive benefits from this Plan.

If you are vested and leave the Company for any reason, you are entitled to receive a Plan benefit. Such payments are payable in the “automatic” form based on your marital status as under “Automatic

Forms of Payment” on page 8, unless you are married and your spouse consents to payment as a lifetime monthly annuity. Benefits are payable at your Normal Retirement Date, unless you elect to receive them earlier. You may elect to start your benefit early (at a reduced amount) on or after the date you would have been eligible for early retirement.

### Could I lose benefits?

This Plan was designed to give you the opportunity to gain benefits; however, there are circumstances in which your benefits may be lost or forfeited.

If you terminate your employment before you become vested, your benefits may be forfeited. However, you may regain your forfeited benefits in certain cases:

- If you leave the Company before your benefits are vested, and you are rehired, your previous service does **not** count for purpose of determining Years of Credited Service or Years of Vesting Service, unless:
  - the number of consecutive years that you incur a Break in Service is less than the greater of either five or the number of Years of Vesting Service you had earned prior to termination; and
  - you complete at least one Year of Vesting Service after returning.

If you leave employment after you are vested, and you incur a Break in Service year, you must complete at least one Year of Vesting Service after returning to recapture your vested status.

A **“Break in Service”** can cause you to lose benefits. You will incur a Break in Service in any year in which you earn less than 501 Hours of Service due to termination of employment. A Break in Service will not be charged against you for the first year in which you complete less than 501 Hours of Service because of absence due to pregnancy, childbirth or adoption. Such a Break in Service will be measured from the first day of such year. After your first anniversary from the date you were initially hired, a **“Year”** is normally any future 12-month period that begins on the first day of the month of your anniversary date.

## PLAN ADMINISTRATION

### Can the Plan be changed or terminated?

If the Plan is ever terminated, your interests accrued to date of termination (to the extent then funded) will become vested and will be distributed to you in any manner permitted by the Plan. Upon termination of the Plan, the assets of the Plan will be allocated in accordance with the following priorities:

- (a) to provide benefits to former participants who have retired under the Plan prior to its termination.
- (b) equally among:
  - (i) retired participants and their beneficiaries to whom payment commenced at least three years prior to the date of termination; and
  - (ii) participants who could have retired and received payment of their benefits at least three years prior to the date of termination.
- (c) to all benefits that would otherwise be guaranteed and insured by the Pension Benefit Guaranty Corporation if the Plan were subject to Pension and Benefit Guaranty Corporation guarantee and insurance.
- (d) to all other vested accrued benefits that would otherwise not be insured by the Pension Benefit Guaranty Corporation if the Plan were subject to Pension and Benefit Guaranty Corporation guarantee and insurance.
- (e) to all other accrued benefits provided under the Plan.

Any excess funds shall revert to the Company under certain conditions outlined in the Plan.

### How are payments made to a minor or person declared legally incompetent?

The Plan Administrator may authorize payment to a conservator, guardian or other individual who is legally charged with the management of the estate of the minor or the legally incompetent person.

### Are my benefits insured?

The Pension Benefit Guaranty Corporation (PBGC) determined in August 2016 that, if the Plan terminates, the Benefits under the Plan are not insured by the PBGC.

### What happens if the Plan becomes "top heavy"?

A defined benefit plan that primarily benefits **"key employees"** is called a **"top heavy plan."** Key employees are certain owners or officers of your Employer. (In this instance, **"Employer"** means not only Phillips Puerto Rico Core Inc., but Phillips Petroleum Company and all of the subsidiaries that it owns at least 80% of their stock.) A plan is a **"top heavy plan"** if the sum of the present value of accrued benefits for key employees is more than 60% of the sum of the present value of accrued benefits for all employees.

Each year, the Plan Administrator is responsible for determining whether your Plan is a **"top heavy plan."**

If your Plan becomes top heavy in any Plan Year, then non-key employees shall be entitled to certain "top heavy minimum benefits," and other special rules will apply. Among these top heavy rules are the following:

- If you are a non-key employee and have completed 1,000 Hours of Service, you will accrue a benefit (expressed as a straight life annuity starting at your Normal Retirement Date) of not less than 2% of your average compensation (as defined by the Internal Revenue Code).
- If you have completed three Years of Vesting Service, you shall have a nonforfeitable right to 100% of your accrued normal retirement benefit.
- If you are a participant in more than one Plan, you may not be entitled to minimum benefits under both Plans.

### Who is the Plan Administrator and what are his duties?

The Plan Administrator is appointed by Benefits Committee, and is subject to its review, and is responsible for various non-administrative and operating duties including:

- Interpretation and administration of the Plan, including resolution of ambiguities and omissions;
- Initial determination of claims for benefits;
- Keeping records relating to the Plan, other than those maintained by the Benefits Committee;
- Designating other persons to assist in performing these duties; and
- Preparation and implementation of procedures necessary for determination of and compliance with qualified domestic relations orders.

### What is the Benefits Committee and what are its duties?

The Chevron Phillips Chemical Company LP Benefits Committee (the "Benefits Committee") has the powers and duties necessary and desirable for the administration of the Plan, including:

- Establishing and enforcing rules and procedures for the administration of the Plan, including:
  - Resolution of ambiguities and omissions;
  - Interpreting and administering the Plan;
  - Computing the amount of benefits payable to participants;
  - Authorizing payment of benefits from the Trust;
  - Delegating administrative duties to selected persons;
  - Correcting any errors in benefits to conform to the facts;
  - Making disclosures to participants on Plan operation; and
  - Maintaining separate records for each participant;
- Making final decisions as to any disputes or claims under the Plan; and
- Filing all Government reports.

The Benefits Committee has absolute discretion in carrying out its duties, and its decisions are binding and final on all parties.

### How do I claim benefits?

To file a claim under the Plan, you must file your claim in writing with the Plan Administrator. The Plan Administrator will act on your claim and inform you, in writing, if it has been granted in whole or in part.

Any claim denial will explain in clear language:

- The reason for denial;
- A specific reference to the appropriate Plan provisions;
- A description of what additional material or information you would need to successfully support your claim and an explanation of why they are necessary; and
- The Plan's claim and review procedure.

If your claim is denied, you have 60 days from receipt of written denial to request a review of the denial by the Benefits Committee. You must submit documents and comments in writing, and you may examine all pertinent Plan documents relating to your claim.

You will normally be given a review of your appeal within 60 days of your request, or within 120 days in special cases. The final decision of the Benefits Committee will be in writing and explain in clear language specific reasons for the decision, including references to the Plan provisions on which the decision is based.



## YOUR RIGHTS

### What are my rights under the Employee Retirement Income Security Act?

As a participant in the Phillips Puerto Rico Core Inc. Pension Plan, you are entitled to certain rights and protections under the Employee Retirement Income Security Act of 1974 (ERISA).

ERISA provides all participants shall be entitled to:

- Examine, without charge, at the Plan Administrator's office and at other locations such as worksites, all Plan documents, including copies of all documents filed by the Plan with the U.S. Department of Labor, such as detailed annual reports and Plan descriptions.
- Obtain copies of all Plan documents and other Plan information upon written request to the Plan Administrator. The Plan Administrator may make a reasonable charge for the copies.
- Receive a summary of the Plan's annual financial report. The Plan Administrator is required by law to furnish each participant with a copy of this summary annual report.
- Obtain a statement telling you whether you have a right to receive a benefit at Normal Retirement Age, and what your benefit would be at Normal Retirement Age if you stop working under the Plan now. If you do not have a right to a benefit, the statement will tell you how many more years you have to work to get a right to a benefit. This statement **must be requested by you in writing and is not required to be given more than once a year**. The Plan must provide the statement free of charge.

In addition to creating rights for Plan participants, ERISA imposes duties upon the people who are responsible for the operation of the Plan. The people who operate your Plan, called "fiduciaries" of the Plan, have a duty to do so prudently and in the interest of you and other Plan participants and beneficiaries.

No one, including your employer, or any other person, may fire you or otherwise discriminate against you in any way to prevent you from obtaining a benefit or exercising your rights under ERISA.

You must receive a written explanation if your claim for a benefit is denied in whole or in part. You also have the right to have the Plan Administrator review and reconsider your claim.

There are steps you can take under ERISA to enforce the above rights. For instance, if you request materials from the Plan and do not receive them within 30 days, you may file suit in a Federal court. In such a case, the Court may require the Plan Administrator to provide the materials and pay you up to \$156 a day until you receive the materials, unless the materials were not sent because of reasons beyond the control of the Plan Administrator. If you have a claim for benefits which is denied or ignored, in whole or in part, you may file suit in a state or Federal court.

If it should happen that Plan fiduciaries misuse the Plan's money, or if you are discriminated against for asserting your rights, you may seek assistance from the U.S. Department of Labor, or you may file suit in a Federal court. The Court will decide who should pay court costs and legal fees. If you are successful, the Court may order the person you have sued to pay these costs and fees. If you lose, the Court may order you to pay these costs and fees.

If you have any questions about your Plan, contact the Plan Administrator. If you have any questions about this statement or about your rights under ERISA, you should contact the Plan Administrator or the nearest Area Office of the U.S. Labor — Management Services Administration, Department of Labor.

