UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-K

☑ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended September 30, 2016

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from _____ to _____

Commission file number 001-37884

VALVOLINE INC.

Kentucky	30-0939371
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

3499 Blazer Parkway
Lexington, Kentucky 40509
Telephone Number (859) 357-7777

Securities Registered Pursuant to Section 12(b) of the Act:

Title of each class	Name of each exchange on which registered
Common stock, par value $0.01 per share	New York Stock Exchange

Securities Registered Pursuant to Section 12(g) of the Act: None

Indicate by check mark if the Registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☐ No ☑

Indicate by check mark if the Registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☑

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☑ No ☐

Indicate by check mark whether the Registrant has submitted electronically and posted on its corporate website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the Registrant was required to submit and post such files). Yes ☐ No ☐

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of Registrant ' s knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ☑

Indicate by check mark whether the Registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large Accelerated Filer ☐	Accelerated Filer ☐
Non-Accelerated Filer ☑	Smaller Reporting Company ☐
(Do not check if a smaller reporting company)	

Indicate by check mark whether the Registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes ☐ No ☑

The Registrant completed the initial public offering of its common stock on September 28, 2016. Accordingly, there was no public market for the Registrant ' s common stock as of March 31, 2016, the last business day of the Registrant ' s most recently completed second fiscal quarter.

At November 30, 2016, there were 204,529,622 shares of the Registrant's common stock outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the Registrant's definitive proxy statement ("Proxy Statement") for its January 24, 2017 Annual Meeting of Shareholders, which will be filed within 120 days of the Registrant's fiscal year end, are incorporated by reference into Part III of this Annual Report on Form 10-K.

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Forward-Looking Statements

This annual report on Form 10-K contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Valvoline has identified some of these forward-looking statements with words such as "anticipates," "believes," "expects," "estimates," "is likely," "predicts," "projects," "forecasts," "may," "will," "should" and "intends" and the negative of these words or other comparable terminology. In addition, Valvoline may from time to time make forward-looking statements in its annual report, quarterly reports and other filings with the Securities and Exchange Commission ("SEC"), news releases and other written and oral communications.

These forward-looking statements are based on Valvoline's current expectations and assumptions regarding, as of the date such statements are made, Valvoline's future operating performance and financial condition, including Valvoline's separation from Ashland (the "Separation"), the expected timetable for Ashland's potential distribution of its remaining Valvoline common stock to Ashland shareholders (the "Stock Distribution") and Valvoline's future financial and operating performance, strategic and competitive advantages, leadership and future opportunities, as well as the economy and other future events or circumstances. Valvoline's expectations and assumptions include, without limitation, internal forecasts and analyses of current and future market conditions and trends, management plans and strategies, operating efficiencies and economic conditions (such as prices, supply and demand, cost of raw materials, and the ability to recover raw-material cost increases through price increases), and risks and uncertainties associated with the following: demand for Valvoline's products and services; sales growth in emerging markets; the prices and margins of Valvoline's products and services; the strength of Valvoline's reputation and brand; Valvoline's ability to develop and successfully market new products and implement its digital platforms; Valvoline's ability to retain its largest customers; potential product liability claims; achievement of the expected benefits of the Separation; Valvoline's substantial indebtedness (including the possibility that such indebtedness and related restrictive covenants may adversely affect Valvoline's future cash flows, results of operations, financial condition and Valvoline's ability to repay debt) and other liabilities; operating as a stand-alone public company; Valvoline's ongoing relationship with Ashland; failure, caused by Valvoline, of Ashland's Stock Distribution of Valvoline common stock to Ashland shareholders to qualify for tax-free treatment, which may result in significant tax liabilities to Ashland for which Valvoline may be required to indemnify Ashland; and the impact of acquisitions and/or divestitures Valvoline has made or may make (including the possibility that Valvoline may not realize the anticipated benefits from such transactions). These forward-looking statements are subject to a number of known and unknown risks, uncertainties and assumptions. In light of these risks, uncertainties and assumptions, the forward-looking events and circumstances discussed in this annual report on Form 10-K may not occur, and actual results could differ materially and adversely from those anticipated or implied in the forward-looking statements.

You should not rely upon forward-looking statements as predictions of future events. Although Valvoline believes that the expectations reflected in these forward-looking statements are reasonable, Valvoline cannot guarantee future results, level of activity, performance or achievements. In addition, neither Valvoline nor any other person assumes responsibility for the accuracy and completeness of any of these forward-looking statements. In light of the significant uncertainties in these forward-looking statements, you should not regard these statements as a representation or warranty by Valvoline or any other person that Valvoline will achieve its objectives and plans in any specified time frame, or at all. These forward-looking statements speak only as of the date of this Annual Report on Form 10-K. Except as required by law, Valvoline assumes no obligation to update or revise these forward-looking statements for any reason, even if new information becomes available in the future.

Other important factors that could cause actual results to differ materially from those contained in these forward-looking statements are discussed under "Use of estimates, risks and uncertainties" in Note 2 of Notes to Consolidated Financial Statements in this annual report on Form 10-K. For a discussion of other factors and risks that could affect Valvoline's expectations and operations, see "Item 1A. Risk Factors" in this annual report on Form 10-K.

All forward-looking statements attributable to Valvoline are expressly qualified in their entirety by these cautionary statements as well as others made in this annual report on Form 10-K, and hereafter in Valvoline's other SEC filings and public communications. You should evaluate all forward-looking statements made by Valvoline in the context of these risks and uncertainties.

PART I

ITEM 1. BUSINESS

General

Valvoline Inc. is a Kentucky corporation, with its principal executive offices located at 3499 Blazer Parkway, Lexington, Kentucky 40509 (Telephone: (859) 357-7777). The terms “Valvoline,” the “Company,” “we,” “us,” and “our” as used herein include Valvoline Inc., its predecessors and its consolidated subsidiaries, except where the context indicates otherwise. Valvoline is a controlled subsidiary of Ashland Global Holdings Inc. The term “Ashland” or "Parent" refers to Ashland Global Holdings Inc., its predecessors and its consolidated subsidiaries, except where the context indicates otherwise.

Valvoline is a leading worldwide producer and distributor of premium-branded automotive, commercial and industrial lubricants, and automotive chemicals. Valvoline is one of the most recognized and respected premium consumer brands in the global automotive lubricant industry, known for its high quality products and superior levels of service. Established in 1866, Valvoline’s heritage spans 150 years, during which it has developed powerful name recognition across multiple product and service channels. With approximately 5,150 employees worldwide, Valvoline services the United States in all of the key lubricant sales channels, and has a strong international presence with products sold in approximately 140 countries.

Valvoline has a history of leading innovation with revolutionary products such as All Climate™, DuraBlend™, and MaxLife™. I n addition to the iconic Valvoline-branded passenger car motor oils and other automotive lubricant products, Valvoline provides a wide array of lubricants used in heavy duty equipment, as well as automotive chemicals and fluids designed to improve engine performance and lifespan. Premium branded product offerings enhance Valvoline’s high quality reputation and provide customers with solutions that address a wide variety of needs.

Reportable Segments

Valvoline’s reporting structure is principally composed of three reportable segments: Core North America, Quick Lubes and International. Additionally, certain corporate and other costs are included in an Unallocated and other segment.

Core North America - The Core North America segment sells Valvoline™ and other branded and private label products in the United States and Canada to both consumers who perform their own automotive maintenance, referred to as “Do-It-Yourself” or “DIY” consumers, as well as to installer customers who use Valvoline products to service vehicles owned by “Do-It-For-Me” or “DIFM” consumers. Valvoline sells to its DIY consumers through retail auto parts stores, such as AutoZone, O’Reilly Auto Parts and Advance Auto Parts, as well as leading mass merchandisers and independent auto part stores. Valvoline also sells branded products and services to installer customers such as car dealers, general repair shops and third-party quick lube locations, including Goodyear, Monro, Express Oil Change, TBC Retail Group and Sears, directly through distributors. The Valvoline team also sells branded products and solutions to heavy duty customers, such as on-highway fleets and construction companies, and has a strategic relationship with Cummins Inc. (“Cummins”), a leading heavy duty engine manufacturer, for co-branding products in the heavy duty business.

Quick Lubes - The Quick Lubes segment services the passenger car and light truck quick lube market through two platforms: Valvoline’s company-owned and franchised Valvoline Instant Oil Change SM (“VIOC”) stores, the second largest U.S. retail quick lube service chain by number of stores; and Express Care™, a quick lube customer platform developed for independent operators who purchase Valvoline motor oil and other products pursuant to contracts while displaying Valvoline branded signage. VIOC centers offer customers a quick, easy, and trusted way to maintain their vehicles, utilizing well-trained technicians who have access to a proprietary service process that sets forth rigorous protocols for both the steps that must be followed in the service of vehicles and for interactions with customers. As of September 30, 2016, the VIOC network consisted of 342 company-owned and 726 franchised centers and operated in 44 states. The Express Care™ platform supports smaller (typically single store) operators that do not fit Valvoline’s franchised model and typically offer other non-quick lube services such as auto repairs and car washes. As of September 30, 2016, there were 347 Express Care™ locations.

International - Valvoline’s International segment sells Valvoline™ and other branded products through wholly-owned affiliates, joint ventures, licensees and independent distributors in approximately 140 countries outside of the United States and Canada. Key international markets include China; India; Europe, Middle East, and Africa (“EMEA”); Latin America; and Australia Pacific. International sales include both passenger car products and heavy duty products used in a wide variety of heavy duty equipment. Passenger car, motorcycle and light duty truck products are sold internationally mostly through distributors in DIFM sales channels to installer customers. Heavy duty products are sold either directly to key customers, or through distributors. Valvoline goes to market in its International business segment in three ways: (1) through its own local sales, marketing, and back office support teams; (2) through

joint ventures; and (3) through independent distributors. Valvoline has 50/50 joint ventures with Cummins in India and China and smaller joint ventures in select countries in Latin America and Asia.

Unallocated and other - Valvoline's Unallocated and other segment generally includes items such as components of pension and other postretirement benefit plans and certain significant restructuring activities that are not directly attributable to any of the other segments described above, including costs related to the Separation of Valvoline from Ashland and legacy costs.

The majority of the Company's sales comes from the sale of lubricant products which were approximately 89% of Valvoline's total consolidated sales for fiscal 2016. For 2016 sales and other information by reportable segment and by geography, see "Management's Discussion and Analysis of Financial Condition and Results of Operation-Business Overview-Business Results."

Available Information

More information about Valvoline is available at Valvoline's internet address, http://www.valvoline.com. On this website, Valvoline makes available, free of charge, its annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and any amendments to those reports, as well as any beneficial ownership reports of officers and directors filed on Forms 3, 4 and 5. All such reports are available as soon as reasonably practicable after they are electronically filed with, or electronically furnished to, the Securities and Exchange Commission ("SEC"). Valvoline also makes available, free of charge on its website, its Corporate Governance Guidelines, Board Committee Charters, Director Independence Standards and the code of business conduct that applies to Valvoline's directors, officers and employees. These documents are also available in print to any shareholder who requests them. Information contained on Valvoline's website is not part of this annual report on Form 10-K and is not incorporated by reference in this document. The public may read and copy any materials Valvoline files with the SEC at the SEC's Public Reference Room at 100 F Street, NE, Washington, DC 20549. The public may obtain information on the operation of the Public Reference Room by calling the SEC at 1-800-SEC-0330. The SEC maintains an Internet site (http://www.sec.gov) that contains reports, proxy and information statements and other information regarding issuers that file electronically with the SEC.

Corporate Developments

On September 22, 2015, Ashland announced that its Board of Directors approved proceeding with a plan to separate Ashland into two independent, publicly traded companies comprising of the Valvoline business and the specialty chemicals businesses. To facilitate the Separation, Valvoline Inc. was incorporated in May 2016 as a subsidiary of Ashland. Following a series of restructuring steps prior to the initial public offering ("IPO") of Valvoline common stock, the Valvoline business was transferred from Ashland to Valvoline Inc.

On September 22, 2016, Ashland and Valvoline announced the pricing of the IPO of 30 million shares of Valvoline's common stock at a price to the public of $22.00 per share and closed the IPO on September 28, 2016. The underwriters exercised an option to purchase an additional 4.5 million shares of Valvoline's common stock to cover over allotments. The total net proceeds, after underwriter's discount and other offering expenses, received from the IPO were $712 million. Valvoline's common stock is listed on the New York Stock Exchange under the symbol "VVV." After completing the IPO, Ashland owns 170 million shares of Valvoline's common stock, representing approximately 83% of the total outstanding shares of Valvoline's common stock. Ashland presently intends to distribute the remaining shares of Valvoline common stock to Ashland's stockholders following the release of second fiscal quarter of 2017 financial results by both Ashland and Valvoline subject to final Ashland board approval as well as the satisfaction or waiver by Ashland of a number of conditions. Ashland may determine not to complete the separation if, at any time, the Board of Directors of Ashland determines, in its sole and absolute discretion, that the distribution is not in the best interest of Ashland or its stockholders or is otherwise not advisable.

As of September 30, 2016, Valvoline includes substantially all of the historical Valvoline business reported by Ashland, as well as certain other assets and liabilities transferred to Valvoline by Ashland. The largest transferred liabilities are the net pension and other postretirement plan liabilities. Other transferred assets and liabilities primarily consist of deferred compensation, certain Ashland legacy business insurance reserves, tax attributes, and certain trade payables. Additionally, any deferred tax assets and liabilities that relate specifically to these assets and liabilities have been transferred to Valvoline, as well as certain other tax liabilities and indemnities as a result of the Tax Matters Agreement entered into between Ashland and Valvoline.

Industry Overview

Valvoline participates primarily in the global finished lubricants market. The global finished lubricants market is an approximately $60 billion market with demand for over 11 billion gallons of lubricants. Demand for passenger car motor oil and motorcycle oil accounted for approximately 24% of global lubricant demand, while the remaining 76% of demand was for commercial and industrial products. The United States has historically accounted for the largest amount of lubricant demand, followed by China and India. The lubricants market is impacted by the following key drivers and trends:

- Global lubricants market demand is shifting towards higher performance finished lubricants, largely driven by advancements in vehicle/equipment design and original equipment manufacturer ("OEM") requirements for improved efficiency, reduced carbon footprints and optimized fuel consumption.

- There has been increasingly stringent regulation, particularly in North America and Europe aimed at reducing toxic emissions, which has led to a continuous drive for innovation given changing specifications for lubricants.

- Between 2007 and 2012, the North American transport lubes market experienced average annual volume declines of 2.7% per annum, due in part to an increase in oil change intervals, which have resulted from changing OEM recommendations and advancements in engine technology. However, this trend has reversed over the past two years as an increase in the number of cars on the road and miles driven has led to stable market volumes.

- A surge in the number of cars on the road has led to rapid expansion of passenger vehicle lubricant sales in developing regions.

Business and Growth Strategies

The strength of Valvoline's business model is the ability to generate profitable sales across multiple channels to market, leveraging the Valvoline brand through effective marketing, innovative product technology and the capabilities of the Valvoline team. Valvoline has delivered strong profits and return on capital, with balanced results. Today, Valvoline is a high margin, high free cash flow generating business, with significant growth opportunities. Valvoline's key business and growth strategies include:

- growing and strengthening Valvoline's quick lube network through organic store expansion, opportunistic, high-quality acquisitions in both core and new markets within the VIOC system and strong sales efforts to partner with new Express Care operators, in addition to continued same-store sales growth and profitability within Valvoline's existing VIOC system stores as a result of attracting new customers and increasing customer satisfaction, customer loyalty and average ticket size;

- accelerating international growth across key markets where demand for premium lubricants is growing, such as China, India and select countries in Latin America, by building strong distribution channels in under-served geographies, replacing less successful distributors and improving brand awareness among installer customers in those regions; and

- leveraging innovation, both in terms of product development, packaging, marketing and the implementation of Valvoline's new digital infrastructure, to strengthen market share and profitability.

Valvoline's Products

Valvoline offers a wide variety of branded, co-branded, and private label products to meet the needs of light-duty and heavy duty engine and automotive maintenance customers in approximately 140 countries around the world. Valvoline's portfolio is designed to deliver quality product solutions to meet the needs of its wide variety of customers with varying needs.

Product Line		% of 2016 Sales	Description
Lubricants	**Passenger Car / Light Duty**	89%	Comprehensive assortment meeting the needs of passenger car, motorcycle and other light duty engines, including motor oil, transmission fluid, greases and gear oil
	Heavy Duty		Lubricating solutions for a wide range of heavy duty applications ranging from on-road (Class 4 – Class 8 vehicles) to off-road construction, mining and power generation equipment
Antifreeze	**Antifreeze / Coolants**	4%	Antifreeze/coolants for OEMs; full assortment of additive technologies and chemistries to meet virtually all light-duty and heavy duty engine applications and heat transfer requirements of batteries and fuel cells used to power today's electric vehicles
Chemicals	**Maintenance Chemicals**	4%	Functional and maintenance chemicals ranging from brake fluids and power steering fluids to chemicals specifically designed to clean and maintain optimal performance of fuel, cooling and drive train systems
	Coatings		Specialty coatings designed to target rust prevention, sound absorption and release agents for automotive and industrial applications
Filters	**Filters**	2%	Oil and air filters meeting the needs of light-duty vehicles
Other	**Other Complementary Products**	1%	Windshield wiper blades, light bulbs, serpentine belts and drain plugs

In addition to Valvoline's branded offerings, Valvoline sells private-label products to OEMs, lubricant marketers and aftermarket retailers. Valvoline's private label products include lubricants, coolants and chemicals bearing the brand names of some of the world's most recognized marketers.

Competition

The industry is highly competitive and Valvoline faces competition in all product categories and subcategories. In the United States and Canada, Valvoline's principal competitors for retail customers are global integrated oil brands, such as Shell, which produces Pennzoil and Quaker State, BP, which produces Castrol, and Exxon Mobil, which produces Mobil1, mid-tier brands, and private label producers. With respect to installer customers in the United States and Canada, Valvoline competes with these major integrated oil brands and regional private label companies.

The Quick Lubes segment competes with other major franchised brands that offer a turn-key operations management system, such as Jiffy Lube (owned by Shell), Grease Monkey and Express Oil Change, as well as national branded companies that offer a professional signage program with limited business model support, similar to Valvoline's Express Care network, and regional players such as Super-Lube and American Lube Fast that are not directly affiliated with a major brand. Valvoline also competes to some degree with automotive dealerships and service stations, which provide quick lube and other preventative maintenance services. Valvoline believes there are over 9,000 existing quick lube stores currently operating in the U.S. market. Jiffy Lube is currently the largest player, with just over 1,900 stores, all of which are owned and operated by franchisees.

Major competitors of Valvoline's International business vary by region. Valvoline generally faces strong competition from global integrated oil brands, as these companies have a particularly strong presence in Europe and Asia. In certain markets Valvoline also competes with regional brands, including brands produced by national oil companies, such as Sinopec in China and Indian Oil in India.

Competitive factors in all of these markets include price, product or service technology, brand awareness and loyalty, customer service, and sales and marketing. Valvoline's Core North America and International businesses also compete on the basis of shelf space and product packaging.

Marketing and Advertising

Valvoline places a high priority on sales and marketing and focuses marketing efforts on areas expected to yield the highest rate of return. Valvoline has dedicated marketing resources in each business segment, which are well qualified to reach target customers. The majority of Valvoline's large customers are supported by direct sales representatives with a number of key customers having dedicated Valvoline teams. Consistent with Valvoline's belief and value that it "all starts with our people," Valvoline also has a keen focus on sales force effectiveness, with a cross functional team regularly evaluating the recruiting, compensation, performance management and employee development of sales teams.

Valvoline uses a variety of marketing techniques to build awareness of, and create demand for, Valvoline products and services. Valvoline advertises through social and digital media, as well as traditional media outlets such as television, print and radio. In addition, Valvoline selectively sponsors teams in high performance racing series, including a current sponsorship of Hendrick Motorsports, featuring drivers Dale Earnhardt Jr., Chase Elliott, Jimmie Johnson and Kasey Kahne.

Valvoline has also embarked on a digital infrastructure initiative that will enable the use of technology across the entire enterprise. Valvoline believes its digital marketing infrastructure will drive more effective engagement to deliver growth, customer retention and acquisition as a strategic business partner.

Research and Development

Valvoline's innovation is central to the successful performance of its business. Valvoline research and development is focused on developing new and innovative products to meet the current and future needs of its customers. These products are developed through Valvoline's "Hands on Expertise" innovation approach, which begins with the mathematical modeling of critical product design elements and extends through field testing. In addition, Valvoline technology centers, located in the Americas, Europe and Asia Pacific regions, develop solutions for existing and emerging on and off-road equipment. Valvoline's research and development team also leverages its strong relationships with customers and suppliers to incorporate their feedback into the research and development process. In addition to its own research and development initiatives, Valvoline also conducts limited testing for other entities, which builds its expertise and partially offsets its research and development costs.

Intellectual Property

Valvoline is continually seeking to develop new technology and enhance its existing technology. Valvoline has been issued 33 U.S. and 59 international patents, and has 13 U.S. and 42 international patent applications pending or published. Valvoline also holds approximately 2,450 trademarks in various countries around the world, which Valvoline believes are some of its most valuable assets, and Valvoline dedicates significant resources to protecting them. These trademarks include the Valvoline trademark and the famous "V" brand logo trademark, which are registered in over 150 countries. Valvoline owns over 700 domain names that are used to promote Valvoline products and services and provide information about the Company.

Raw Material Supply and Prices

The key raw materials used in Valvoline's business are base oils, additives, packaging materials (high density polyethylene bottles and steel drums) and ethylene glycol. Valvoline continuously monitors global supply and cost trends of these key raw materials and obtains these raw materials from a diversified network of large global suppliers and regional providers. Valvoline's sourcing strategy is to ensure supply through contracting a diversified supply base while leveraging market conditions to take advantage of spot opportunities whenever such conditions are available. Valvoline leverages worldwide spend to obtain favorable contract terms from the global suppliers and use the regional providers to ensure market competitiveness and reliability in its supply chain. For materials that must be customized, Valvoline works with market leaders with global footprints and well developed business continuity plans. Valvoline also utilizes the Company's research and development resources to develop alternative product formulations, which provide flexibility in the event of supply interruptions. Valvoline closely monitors the Company's supply chain and conducts annual supply risk assessments of its critical suppliers to reduce risk.

Valvoline seeks to actively manage fluctuations in supply costs, product selling prices and the timing thereof to preserve unit margins. The prices of many of Valvoline's products fluctuate based on the price of base oil, which is a large percentage of Valvoline's cost of sales. Historically, base oil prices have been volatile, which sometimes causes sharp cost increases during periods of short supply, which was the case in 2011. Since that time, base oil supply has increased dramatically while global demand has generally grown at a steady and moderate rate. Although base oil, a derivative of crude, is highly correlated to the global oil market, excess supply of base oil in recent years has contributed to reduced volatility in the base oil market. Base oil prices generally follow crude prices, but the lag period between changes in the price of crude oil and changes in the price of base oil is influenced by whether there is an excess of or shortness in the supply of base oil.

Valvoline has generally been successful in adjusting product selling prices to account for changes in base oil costs in order to preserve unit margins. As part of the strategy to mitigate the impact of base oil volatility, Valvoline has negotiated base oil supply contracts with terms that have reduced the impact of changes in the base oil market on Valvoline's financial results. Valvoline has revised contracts in several of the Company's sales channels to accelerate the timing of adjustments to selling prices in response to changes in raw material prices. Pricing adjustments to product sold to Valvoline's larger national or regional accounts in its installer channel tend to be made pursuant to contract and are often based on movements in published base oil indices. Pricing for product sold to Valvoline's franchisees is adjusted on a periodic basis pursuant to an agreed upon index (weighted combination of published base oil indices), the composition and weighting of which may be updated from time to time by Valvoline and representatives of Valvoline's franchisees. Pricing adjustments for product sold in Valvoline's DIY channel, private label products in the United States and product sold to smaller accounts in its installer channel are generally market driven, based on negotiations in light of base oil costs and the pricing strategies of Valvoline's competitors.

Seasonality

Overall, there is little seasonality in Valvoline's business. Valvoline Quick Lubes business and, to a lesser extent, its Core North America business tend to experience slightly higher sales volume in the summer months due to summer vacations and increased driving, as well as during the periods of time leading into holidays. Both businesses also tend to slow a little from October to February due to inclement weather in parts of the United States and Canada. Valvoline's International business experiences almost no seasonality due to its geographic diversity and the high percentage of its business in the commercial and industrial lubricants market, which is less influenced by weather.

Environmental Health and Safety

Valvoline is subject to numerous foreign, federal, state and local Environmental Health and Safety ("EHS") laws and regulations. These laws and regulations govern matters such as safe working conditions; product stewardship; air emissions; discharges to the land and surface waters; generation, handling, storage, transportation, treatment and disposal of hazardous substances and waste materials; and the registration and evaluation of chemicals. Valvoline maintains policies and procedures to control EHS risks and monitor compliance with applicable EHS laws and regulations. These laws and regulations also require Valvoline to obtain, and comply with, permits, registrations or other authorizations issued by governmental authorities. These authorities can modify or revoke the Company's permits, registrations or other authorizations and can enforce compliance through fines and injunctions.

Valvoline expects to incur ongoing costs to comply with existing and future EHS requirements, including the cost of a dedicated EHS group that will be responsible for ensuring its business maintains compliance with applicable laws and regulations. This responsibility will be carried out through training; widespread communication of EHS policies; formulation of policies, procedures and work practices; design and implementation of EHS management systems; internal auditing by a separate auditing group; monitoring legislative and regulatory developments that may affect Valvoline's operations; and incident response planning.

Government Regulation

Valvoline is subject to regulation by various U.S. federal regulatory agencies and by the applicable regulatory authorities in countries in which Valvoline's products are manufactured and sold. Such regulations principally relate to the ingredients, labeling, packaging, advertising and marketing of Valvoline's products. In addition, as a result of Valvoline's commercial operations overseas, the Company is subject to the Foreign Corrupt Practices Act and other countries' anti-corruption and anti-bribery regimes, such as the U.K. Bribery Act.

Employees

As of September 30, 2016, Valvoline and its consolidated subsidiaries had approximately 5,150 employees (excluding contract employees).

ITEM 1A. RISK FACTORS

The following discussion of "risk factors" identifies the most significant factors that may adversely affect Valvoline's business, operations, financial position or future financial performance. This information should be read in conjunction with Management's Discussion and Analysis and the consolidated financial statements and related notes included in this annual report on Form 10-K. The following discussion of risks is designed to highlight what Valvoline believes are important factors to consider when evaluating its expectations. These factors could cause future results to differ from those in forward-looking statements and from historical trends.

Risks Related to Valvoline's Business

Damage to Valvoline's brand and reputation could have an adverse effect on its business.

Maintaining Valvoline's strong reputation with both consumers and customers is a key component of its business. Product or service complaints or recalls, its inability to ship, sell or transport affected products and governmental investigations may harm its reputation with consumers and customers, which may materially and adversely affect its business operations, decrease sales and increase costs.

Valvoline manufactures and markets a variety of products, such as automotive and industrial lubricants and antifreeze, and provide automotive maintenance services. If allegations are made that some of Valvoline's products have failed to perform up to consumers' or customers' expectations or have caused damage or injury to individuals or property, or that Valvoline's services were not provided in a manner consistent with its vision and values, the public may develop a negative perception of its brands. In addition, if Valvoline's franchisees or Express Care operators do not successfully operate their quick lube service centers in a manner consistent with Valvoline's standards, its brand, image and reputation could be harmed, which in turn could negatively impact its business and operating results. A negative public perception of Valvoline's brands, whether justified or not, could impair its reputation, involve it in litigation, damage its brand equity and have a material adverse effect on its business. In addition, damage to the reputation of Valvoline's competitors or others in its industry could negatively impact Valvoline's reputation and business.

Valvoline has set aggressive growth goals for its business, including increasing sales, cash flow, market share and margins, in order to achieve its long-term strategic objectives. Execution of Valvoline's growth strategies and business plans to facilitate that growth involves a number of risks.

Valvoline has set aggressive growth goals for its business in order to meet its long-term strategic objectives and improve shareholder value. Valvoline's failure to meet one or more of these goals or objectives would negatively impact its business and is one of the most important risks that Valvoline faces. Aspects of that risk include, among others, changes to the economic environment, changes to the competitive landscape, including those related to automotive maintenance recommendations and consumer preferences, attraction and retention of skilled employees, the potential failure of product innovation plans, failure to comply with existing or new regulatory schemes, failure to maintain a competitive cost structure and other risks outlined in greater detail in this "Risk Factors" section.

Demand for Valvoline's products and services could be adversely affected by consumer spending trends, declining economic conditions, trends in Valvoline's industry and a number of other factors, all of which are beyond its control.

Demand for Valvoline's products and services may be affected by a number of factors it cannot control, including the number and age of vehicles in current service, regulation and legislation, technological advances in the automotive industry and changes in engine technology, including the adoption rate of electric or other alternative engine technologies. In addition, during periods of declining economic conditions, consumers may defer vehicle maintenance. Similarly, increases in energy prices may cause miles driven to decline, resulting in less wear and tear and lower demand for maintenance, which may lead to consumers deferring purchases of Valvoline's products and services. All of these factors, which impact metrics such as drain intervals and oil changes per day, could result in a decline in the demand for Valvoline's products and services and adversely affect its sales, cash flows and overall financial condition. Between 2007 and 2012, U.S. passenger car motor oil volumes declined. This decline in demand is a result of, among other factors, changing automotive OEM specifications and longer recommended intervals between oil changes. Over the past two years, however, market volume has increased, largely due to the increase in the number of cars on the road and miles driven.

The success of Valvoline's growth initiatives depends on its ability to successfully develop and implement one or more integrated digital platforms that will help it better understand consumers and more effectively engage them.

Valvoline is in the process of designing and implementing a number of digital platforms that will integrate its operations with customer and consumer data. The successful development and implementation of these digital platforms will depend on Valvoline's ability to identify an appropriate strategy, dedicate adequate resources and select technologies that will provide it with adequate flexibility to adapt to future developments in the marketplace and changes in consumer and customer behavior. Valvoline has incurred and expect to incur significant upfront investments to develop these digital platforms. There is a risk that once implemented, these digital platforms will not deliver all or part of the expected benefits, including additional sales. As Valvoline develops and implements its digital platforms, it may elect to modify, replace or abandon certain technology initiatives, which could result in write-downs.

Valvoline's success depends upon its ability to attract and retain key employees and the identification and development of talent to succeed senior management.

Valvoline's success depends on its ability to attract and retain key personnel, and it relies heavily on its senior management team. The inability to recruit and retain key personnel or the unexpected loss of key personnel may adversely affect Valvoline's operations. This risk of unwanted employee turnover is substantial in positions that require certain technical expertise. This risk is also substantial in developing international markets Valvoline has targeted for growth and in North America, where attracting marketing and technical expertise to geographies necessary to support its management is important to its success. This risk is further enhanced by the

Separation from Ashland. In addition, because of Valvoline's reliance on its senior management team, its future success depends, in part, on its ability to identify and develop or recruit talent to succeed its senior management and other key positions throughout the organization. If Valvoline fails to identify and develop or recruit successors, it is at risk of being harmed by the departures of these key employees.

Valvoline faces significant competition from other companies, which places downward pressure on prices and margins and may adversely affect Valvoline's business and results of operations.

Valvoline operates in highly competitive markets, competing against a number of domestic and foreign companies. Competition is based on several key criteria, including brand recognition, product performance and quality, product price, product availability and security of supply, ability to develop products in cooperation with customers and customer service, as well as the ability to bring innovative products or services to the marketplace. Certain key competitors, including Shell/Pennzoil and Jiffy Lube, BP/Castrol and Exxon/Mobil, are significantly larger than Valvoline and have greater financial resources and more diverse portfolios of products and services, leading to greater operating and financial flexibility. As a result, these competitors may be better able to withstand adverse changes in conditions within the relevant industry, the prices of raw materials and energy or general economic conditions. In addition, competitors' pricing decisions could compel Valvoline to decrease its prices, which could negatively affect Valvoline's margins and profitability. Additional competition in markets served by Valvoline could adversely affect margins and profitability and could lead to a reduction in market share. Also, Valvoline competes in certain markets that are declining, such as the U.S. passenger car motor oil market. If Valvoline's strategies for dealing with declining markets and leveraging market opportunities are not successful, its results of operations could be negatively affected.

Because of the concentration of Valvoline's sales to a small number of retailers, the loss of one or more of, or a significant reduction in orders from, its top retail customers could adversely affect its financial results, as could the loss of one of its distributor relationships.

Valvoline's Core North America segment's sales represented approximately 51% of Valvoline's total sales in fiscal 2016. NAPA Auto Parts, AutoZone, Advance Auto Parts, O'Reilly Auto Parts and another large national retailer together accounted for 47% of Core North America's fiscal 2016 sales and 47% of Core North America's outstanding trade accounts receivable as of September 30, 2016. NAPA Auto Parts accounted for greater than 10% of Core North America's fiscal 2016 sales. Valvoline's volume of sales to these customers fluctuates and can be influenced by many factors, including product pricing, purchasing patterns and promotional activities. The loss of, or significant reduction in orders from, one of Valvoline's top five retail customers or any other significant customer could have a material adverse effect on its business, financial condition, results of operations or cash flows, as could customer disputes regarding shipments, fees, merchandise condition or related matters. Valvoline's inability to collect accounts receivable from one of its major customers, or a significant deterioration in the financial condition of one of these customers, including a bankruptcy filing or a liquidation, could also have a material adverse effect on Valvoline's financial condition, results of operations or cash flows. Valvoline also relies on independent distributors to sell and deliver its products. Disagreements or the loss of Valvoline's relationship with a distributor could also have a material adverse effect on its financial condition, results of operations or cash flows.

Valvoline's marketing activities may not be successful.

Valvoline invests substantial resources in advertising, consumer promotions and other marketing activities in order to maintain and strengthen its brand image and product awareness. The Valvoline name and brand image are integral to the growth of its business and its expansion into new markets. Failure to adequately market and differentiate its products and services from competitive products and services could adversely affect Valvoline's business. There can be no assurances that Valvoline's marketing strategies will be effective or that its investments in advertising activities will result in a corresponding increase in sales of its products. If Valvoline's marketing initiatives are not successful, it will have incurred significant expenses without the benefit of higher sales of its products. In addition, if any party with whom Valvoline has a sponsorship relationship were to generate adverse publicity, Valvoline's brand image could be harmed.

Valvoline business exposes it to potential product liability claims and recalls, which could adversely affect its financial condition and performance.

The development, manufacture and sale of automotive, commercial and industrial lubricants, automotive chemicals and the provision of automotive maintenance services involve an inherent risk of exposure to product liability claims, false advertising claims, product recalls, workplace exposure, product seizures and related adverse publicity. A product liability claim, false advertising claim or related judgment against the Company could also result in substantial and unexpected expenditures, affect consumer or customer confidence in Valvoline's products, and divert management's time and attention from other responsibilities. Although Valvoline maintains product liability insurance, there can be no assurance that the type or level of coverage it has is adequate or that it will be able to continue to maintain its existing insurance or obtain comparable insurance at a reasonable cost, if at all. A product recall or a partially or completely uninsured product liability judgment against Valvoline could have a material adverse effect on its reputation, results of operations and financial condition.

Failure to develop and market new products and production technologies could impact Valvoline's competitive position and have an adverse effect on its business and results of operations.

The lubricants industry is subject to periodic technological change and ongoing product improvements. In order to maintain margins and remain competitive, Valvoline must successfully develop and introduce new products or improvements that appeal to its customers and ultimately to global consumers. Changes in additive technologies, base oil production techniques and sources, and the demand for improved performance by OEMs and consumers place particular pressure on Valvoline to continue to improve its product offerings. Valvoline's efforts to respond to changes in consumer demand in a timely and cost-efficient manner to drive growth could be adversely affected by difficulties or delays in product development and service innovation, including the inability to identify viable new products, successfully complete research and development, obtain regulatory approvals, obtain intellectual property protection or gain market acceptance of new products or service techniques. Due to the lengthy development process, technological challenges and intense competition, there can be no assurance that any of the products Valvoline is currently developing, or could develop in the future, will achieve substantial commercial success. The time and expense invested in product development may not result in commercial products or provide revenues. Valvoline could be required to write-off its investment in a new product that does not reach commercial viability. Moreover, Valvoline may experience operating losses after new products are introduced and commercialized because of high start-up costs, unexpected manufacturing costs or problems, or lack of demand.

The impact of changing laws or regulations or the manner of interpretation or enforcement of existing laws or regulations could adversely impact Valvoline's financial performance and restrict its ability to operate its business or execute its strategies.

New laws or regulations, or changes in existing laws or regulations or the manner of their interpretation or enforcement, could increase Valvoline's cost of doing business and restrict its ability to operate its business or execute its strategies. This risk includes, among other things, the possible taxation under U.S. law of certain income from foreign operations, the possible taxation under foreign laws of certain income Valvoline reports in other jurisdictions, regulations related to the protection of private information of its employees and customers, regulations issued by the U.S. Federal Trade Commission (and analogous non-U.S. agencies) affecting Valvoline and its customers, compliance with the REACH regulation (and analogous non-EU initiatives). In addition, compliance with laws and regulations is complicated by Valvoline substantial and growing global footprint, which will require significant and additional resources to ensure compliance with applicable laws and regulations in the approximately 140 countries where Valvoline conducts business.

Valvoline's global operations exposes it to trade and economic sanctions and other restrictions imposed by the United States, the European Union and other governments and organizations. The U.S. Departments of Justice, Commerce, State and Treasury and other federal agencies and authorities have a broad range of civil and criminal penalties they may seek to impose against corporations and individuals for violations of economic sanctions laws, export control laws, the Foreign Corrupt Practices Act (the "FCPA") and other federal statutes and regulations, including those established by the Office of Foreign Assets Control ("OFAC"). Under these laws and regulations, as well as other anti-corruption laws, anti-money-laundering laws, export control laws, customs laws, sanctions laws and other laws governing Valvoline's operations, various government agencies may require export licenses, may seek to impose modifications to business practices, including cessation of business activities in sanctioned countries or with sanctioned persons or entities and modifications to compliance programs, which may increase compliance costs, and may subject Valvoline to fines, penalties and other sanctions. A violation of these laws or regulations could adversely impact Valvoline's business, results of operations and financial condition.

Although Valvoline has implemented policies and procedures in these areas, it cannot assure you that its policies and procedures are sufficient or that directors, officers, employees, representatives, distributors, consultants and agents have not engaged and will not engage in conduct for which Valvoline may be held responsible, nor can Valvoline assure you that its business partners have not engaged and will not engage in conduct that could materially affect their ability to perform their contractual obligations to Valvoline or even result in its being held liable for such conduct. Violations of the FCPA, OFAC restrictions or other export control, anti-corruption, anti-money-laundering and anti-terrorism laws or regulations may result in severe criminal or civil sanctions, and Valvoline may be subject to other liabilities, which could have a material adverse effect on its business, financial condition, cash flows and results of operations.

Imposition of new taxes, disagreements with tax authorities or additional tax liabilities could adversely affect Valvoline's business, financial condition, reputation or results of operations.

Valvoline's products are made, manufactured, distributed or sold in approximately 140 countries and territories. As such, Valvoline is subject to a myriad of tax laws and regulations applicable in those countries and territories, as well as those of the United States and its various state and local governments. Economic and political pressure to increase tax revenues in jurisdictions where Valvoline operates or does business, or the adoption of new or reformed tax regulations, may make resolving tax disputes more difficult, and the final resolution of tax audits and any related litigation may differ from historical provisions and accruals resulting in an adverse impact on Valvoline's business, financial condition, reputation or results of operations. In addition to tax reform strategies being considered in the United States, many other countries are actively considering changes to existing tax laws. Changes in how United States

multinational corporations are taxed on earnings, including changes to currently enacted tax rates, could adversely affect Valvoline's business, financial condition or results of operations.

Valvoline's substantial global operations subject it to risks of doing business in foreign countries, which could adversely affect its business, financial condition and results of operations.

Sales from Valvoline's International business segment accounted for 26% of its sales for fiscal 2016. Valvoline expects sales from international markets to continue to represent an even larger portion of its sales in the future. Also, a significant portion of Valvoline's manufacturing capacity is located outside of the United States. Accordingly, its business is subject to risks related to the differing legal, political, cultural, social and regulatory requirements and economic conditions of many jurisdictions.

The global nature of Valvoline's business presents difficulties in hiring and maintaining a workforce in certain countries. Fluctuations in exchange rates may affect product demand and may adversely affect the profitability in U.S. dollars of products and services provided in foreign countries. In addition, foreign countries may impose additional withholding taxes or otherwise tax Valvoline's foreign income, or adopt other restrictions on foreign trade or investment, including currency exchange controls. The imposition of tariffs is also a risk that could impair Valvoline's financial performance. In addition, joint ventures, particularly Valvoline's existing joint ventures with Cummins in India and China, are an important part of its growth strategy internationally. If Valvoline's relationship with one of its joint venture partners were to deteriorate, it could negatively impact its ability to achieve its growth goals internationally.

Certain legal and political risks are also inherent in the operation of a company with Valvoline's global scope. For example, it may be more difficult for Valvoline to enforce its agreements or collect receivables through foreign legal systems. There is a risk that foreign governments may nationalize private enterprises in certain countries where Valvoline operates. In certain countries or regions, terrorist activities and the response to such activities may threaten Valvoline's operations more than in the United States. Social and cultural norms in certain countries may not support compliance with Valvoline's corporate policies including those that require compliance with substantive laws and regulations. Also, changes in general economic and political conditions in countries where Valvoline operates, particularly in Europe, the Middle East and emerging markets, are a risk to Valvoline's financial performance and future growth. For example, Valvoline exited its Venezuelan joint venture in 2015 due in part to the continued lack of exchangeability between the Venezuelan bolivar and U.S. dollar and other Venezuelan regulations. In addition, in executing its global growth strategies, Valvoline has entered into several important strategic relationships with joint venture partners, such as Cummins, unaffiliated distributors, toll manufacturers and others. The need to identify financially and commercially strong partners to fill these roles who will comply with the high manufacturing and legal compliance standards Valvoline requires is a risk to Valvoline's financial performance.

As Valvoline continues to operate its business globally, its success will depend, in part, on its ability to anticipate and effectively manage these and other related risks. There can be no assurance that the consequences of these and other factors relating to Valvoline's multinational operations will not have an adverse effect on its business, financial condition or results of operations.

The competitive nature of Valvoline's markets may delay or prevent it from passing increases in raw material costs on to its customers. In addition, certain of Valvoline's suppliers may be unable to deliver products or raw materials or may withdraw from contractual arrangements. The occurrence of either event could adversely affect Valvoline's results of operations.

Rising and volatile raw material prices, especially for base oil and lubricant additives, may negatively impact Valvoline's costs, results of operations and the valuation of its inventory. Valvoline is not always able to raise prices in response to increased costs of raw materials, and its ability to pass on the costs of such price increases is dependent upon market conditions. Likewise, reductions in the valuation of Valvoline's inventory due to market volatility may not be recovered and could result in losses.

Valvoline purchases certain products and raw materials from suppliers, often pursuant to written supply contracts. If those suppliers are unable to meet Valvoline's orders in a timely manner or choose to terminate or otherwise avoid contractual arrangements, Valvoline may not be able to make alternative supply arrangements. For base oils, Valvoline's suppliers are primarily large oil producers, many of whom operate oil lubricant production and sales businesses as part of their enterprise. There are risks inherent in obtaining important raw materials from actual or potential competitors, including the risk that applicable antitrust laws may be inadequate to mitigate Valvoline's exposure to these risks. Valvoline purchases substantially all of its lubricant additives from the following four suppliers: Afton Chemical Corporation, Chevron Oronite Company LLC, the Infineum group of companies and Lubrizol Corporation. Because the industry is characterized by a limited number of lubricant additives suppliers, there are a limited number of alternative suppliers with whom Valvoline could transact in the event of a disruption to its existing supply relationships. The inability of Valvoline's suppliers to meet its supply demands could also have a material adverse effect on its business.

Also, domestic and global government regulations related to the manufacture or transport of certain raw materials may impede Valvoline's ability to obtain those raw materials on commercially reasonable terms. If Valvoline is unable to obtain and retain qualified

suppliers under commercially acceptable terms, its ability to manufacture and deliver products in a timely, competitive and profitable manner or grow its business successfully could be adversely affected.

Acquisitions, strategic alliances and investments could result in operating difficulties, dilution and other harmful consequences that may adversely impact Valvoline's business and results of operations.

Acquisitions, particularly for Valvoline's VIOC business, and building strategic alliances for distribution and manufacturing, particularly in international markets, including through joint venture partnerships, product distribution and toll manufacturing arrangements, are important elements of its overall growth strategy. Valvoline expects to continue to evaluate and enter into discussions regarding a wide array of potential strategic transactions. These transactions and agreements could be material to Valvoline's financial condition and results of operations. In addition, the process of integrating an acquired company, business, or product may create unforeseen operating difficulties or expenditures. The areas where Valvoline faces risks include:

- diversion of management's time and attention from operating Valvoline's business to acquisition integration challenges;
- failure to successfully grow the acquired business or product lines;
- implementation or remediation of controls, procedures and policies at the acquired company;
- integration of the acquired company's accounting, human resources and other administrative systems, and coordination of product, engineering and sales and marketing functions;
- transition of operations, users and customers onto Valvoline's existing platforms;
- reliance on the expertise of Valvoline's strategic partners with respect to market development, sales, local regulatory compliance and other operational matters;
- failure to obtain required approvals on a timely basis, if at all, from governmental authorities, or conditions placed upon approval under competition and antitrust laws which could, among other things, delay or prevent Valvoline from completing a transaction, or otherwise restrict its ability to realize the expected financial or strategic goals of an acquisition;
- in the case of foreign acquisitions, the need to integrate operations across different cultures and languages and to address the particular economic, currency, political and regulatory risks associated with specific countries;
- cultural challenges associated with integrating employees from the acquired company into Valvoline's organization, and retention of employees from the companies that Valvoline acquires;
- liability for, or reputational harm from, activities of the acquired company before the acquisition or from Valvoline's strategic partners, including patent and trademark infringement claims, violations of laws, commercial disputes, tax liabilities and other known and unknown liabilities; and
- litigation or other claims in connection with the acquired company, including claims from terminated employees, customers, former securityholders or other third parties.

Valvoline's failure to address these risks or other problems encountered in connection with its past or future acquisitions, investments or strategic alliances could cause Valvoline to fail to realize the anticipated benefits of such acquisitions, investments or strategic alliances, incur unanticipated liabilities and harm Valvoline's business generally.

Valvoline's acquisitions, investments and strategic alliances could also result in dilutive issuances of its equity securities, the incurrence of debt, contingent liabilities or amortization expenses, impairment of goodwill or purchased long-lived assets and restructuring charges, any of which could harm its financial condition, results of operations and cash flows. Also, the anticipated benefits of Valvoline's acquisitions may not be realized. Valvoline's balance sheet includes goodwill primarily related to acquisitions and future acquisitions may result in Valvoline's recognition of additional goodwill. The impairment of a significant portion of this goodwill would negatively affect its financial results.

The business model for Valvoline's VIOC business, including its dependence on franchised oil change centers, presents a number of risks.

VIOC is made up of a nation-wide network of both company-owned and franchised stores. Valvoline's success relies in part on the financial success and cooperation of its franchisees. However, Valvoline has limited influence over their operations. Valvoline's franchisees manage their businesses independently and are responsible for the day to day operations of approximately 68% of VIOC stores as of September 30, 2016. Valvoline's revenue and income growth from franchised stores are largely dependent on the ability of its franchisees to grow their sales. Valvoline's franchisees may have limited or no sales growth, and Valvoline's revenues and margins could be negatively affected as a result. In addition, if sales or business performance trends worsen for franchisees, their financial results may deteriorate, which could result in, among other things, VIOC store closures, delayed or reduced payments to Valvoline and reduced growth in the number of VIOC stores.

Valvoline's success also depends on the willingness and ability of its independent franchisees to implement major initiatives, which may require additional investment by them, and remain aligned with Valvoline on operating, promotional and capital intensive reinvestment plans. The ability of Valvoline's franchisees to contribute to the achievement of Valvoline's overall plans is dependent in large part on the availability of funding to its franchisees at reasonable interest rates and may be negatively impacted by the financial markets in general or the creditworthiness of individual franchisees.

Valvoline's operating performance and reputation could also be negatively impacted if its independent franchisees experience service failures or otherwise operate in a manner that projects a brand image inconsistent with Valvoline's values, particularly if Valvoline's contractual and other rights and remedies are limited, costly to exercise or subject to litigation. If Valvoline's franchisees do not successfully operate VIOC stores in a manner consistent with Valvoline's standards, Valvoline's brand, image and reputation could be harmed, which in turn could negatively impact its business and operating results.

The ownership mix of company-owned and franchised VIOC stores also affects Valvoline's results and financial condition. The decision to own stores or to operate under franchise or license agreements is driven by a large number of factors with a complex and changing interrelationship. The size of Valvoline's largest franchisees creates additional risk due to Valvoline's dependence on their particular growth, financial and operating performance and cooperation and alignment with Valvoline's initiatives.

Valvoline is the primary supplier of products to all VIOC stores. The growth and performance of Valvoline's lubricants and other product lines depends in large part on the performance of its VIOC business, potentially amplifying the negative affect of the other risks related to the VIOC business model. Poor performance by VIOC stores would negatively impact revenues and income for other Valvoline reporting segments.

Adverse developments in the global economy or in regional economies and potential disruptions of financial markets could negatively impact Valvoline's customers and suppliers, and therefore have a negative impact on its results of operations.

A global or regional economic downturn may reduce customer demand or inhibit Valvoline's ability to produce and sell products. Valvoline's business and operating results are sensitive to global and regional economic downturns, credit market tightness, declining consumer and business confidence, fluctuating commodity prices, volatile exchange rates, changes in interest rates, sovereign debt defaults and other challenges, including those related to international sanctions and acts of aggression or threatened aggression that can affect the global economy. With 74% of Valvoline's sales coming from North America in fiscal 2016, Valvoline is particularly sensitive to the risk of an economic slowdown or downturn in that region. In the event of adverse developments or stagnation in the economy or financial markets, Valvoline's customers may experience deterioration of their businesses, reduced demand for their products, cash flow shortages and difficulty obtaining financing. As a result, existing or potential customers might delay or cancel plans to purchase products and may not be able to fulfill their obligations to Valvoline in a timely fashion. Further, suppliers may experience similar conditions, which could impact their ability to fulfill their obligations to Valvoline. A weakening or reversal of the global economy or a substantial part of it could negatively impact Valvoline's business, results of operations, financial condition and ability to grow.

Valvoline uses information technology systems to conduct business, and these systems are at risk from cyber security threats.

The nature of Valvoline's business, the markets it serves and the geographic profile of its operations make it a target of cyber security threats. Despite steps Valvoline takes to mitigate or eliminate them, cyber security threats to its systems are increasing and becoming more advanced and could occur as a result of the activity of hackers, employee error or employee misconduct. A breach of Valvoline's information technology systems could lead to the loss and destruction of trade secrets, confidential information, proprietary data, intellectual property, customer and supplier data and employee personal information, and could disrupt business operations which could adversely affect Valvoline's relationships with business partners and harm its brands, reputation and financial results. Valvoline's customer data may include names, addresses, phone numbers, email addresses and payment account information, among other information. Depending on the nature of the customer data that is compromised, Valvoline may also have obligations to notify users, law enforcement or payment companies about the incident and may need to provide some form of remedy, such as refunds for the individuals affected by the incident.

Valvoline may fail to adequately protect its intellectual property rights or may be accused of infringing the intellectual property rights of third parties.

Valvoline relies heavily upon its trademarks, domain names and logos to market its brands and to build and maintain brand loyalty and recognition, as well as upon trade secrets. Valvoline also relies on a combination of laws and contractual restrictions with employees, customers, suppliers, affiliates and others, to establish and protect its various intellectual property rights. For example, Valvoline has generally registered and continue to register and renew, or secure by contract where appropriate, trademarks and service marks as they are developed and used, and reserve, register and renew domain names as appropriate. Effective trademark protection may not be available or may not be sought in every country in which Valvoline's products are made available and contractual disputes may affect

the use of marks governed by private contract. Similarly, not every variation of a domain name may be available or be registered, even if available.

Valvoline generally seeks to apply for patents or for other similar statutory protections as and if it deems appropriate, based on then-current facts and circumstances, and will continue to do so in the future. No assurances can be given that any patent application Valvoline has filed or will file will result in a patent being issued, or that any existing or future patents will afford adequate or meaningful protection against competitors or against similar technologies. In addition, no assurances can be given that third parties will not create new products or methods that achieve similar results without infringing upon patents Valvoline owns.

Despite these measures, Valvoline's intellectual property rights may still not be protected in a meaningful manner, challenges to contractual rights could arise or third parties could copy or otherwise obtain and use Valvoline's intellectual property without authorization. The occurrence of any of these events could result in the erosion of Valvoline's brands and limit its ability to market its brands using its various trademarks, as well as impede its ability to effectively compete against competitors with similar products and services, any of which could adversely affect its business, financial condition and results of operations.

From time to time, Valvoline has been subject to legal proceedings and claims, including claims of alleged infringement of trademarks, copyrights, patents and other intellectual property rights held by third parties. In the future, third parties may sue Valvoline for alleged infringement of their proprietary or intellectual property rights. Valvoline may not be aware of whether its products do or will infringe existing or future patents or the intellectual property rights of others. In addition, litigation may be necessary to enforce Valvoline's intellectual property rights, protect its trade secrets or determine the validity and scope of proprietary rights claimed by others. Any litigation of this nature, regardless of outcome or merit, could result in substantial costs and diversion of management and technical resources, any of which could adversely affect Valvoline's business, financial condition and results of operations.

Valvoline's pension and other postretirement benefit plan obligations are currently underfunded, and Valvoline may have to make significant cash payments to some or all of these plans, which would reduce the cash available for its businesses.

In connection with Valvoline's separation from Ashland, Valvoline assumed certain of Ashland's historical other postretirement benefit plans and qualified and non-qualified pension liabilities. The funded status of Valvoline's pension plans is dependent upon many factors, including returns on invested assets, the level of certain market interest rates and the discount rate used to determine pension obligations. Unfavorable returns on plan assets or unfavorable changes in applicable laws or regulations could materially change the timing and amount of required plan funding, which would reduce the cash available for Valvoline's businesses. In addition, a decrease in the discount rate used to determine pension obligations could result in an increase in the valuation of pension obligations, which could affect the reported funding status of Valvoline's pension plans and future contributions. Similarly, an increase in discount rates could increase the periodic pension cost in subsequent fiscal years. Valvoline's policy to recognize changes in the fair value of the pension assets and liabilities annually through mark to market accounting could result in volatility in Valvoline's results of operations, which could be material. In addition, Valvoline's pension and other postretirement benefit plan obligations are currently underfunded, and Valvoline may have to make significant cash payments to some or all of these plans, which would reduce the cash available for its businesses.

Under the Employee Retirement Income Security Act of 1974, as amended, the Pension Benefit Guaranty Corporation ("PBGC") has the authority to terminate an underfunded tax-qualified pension plan under limited circumstances. In the event Valvoline's tax-qualified pension plans are terminated by the PBGC, Valvoline could be liable to the PBGC for some portion of the underfunded amount.

Business disruptions from natural, operational and other catastrophic risks could seriously harm Valvoline's operations and financial performance. In addition, a catastrophic event at one of Valvoline's facilities or involving its products or employees could lead to liabilities that could further impair its operations and financial performance.

Business disruptions, including those related to operating hazards inherent with the production of lubricants, natural disasters, severe weather conditions, supply or logistics disruptions, increasing costs for energy, temporary plant and/or power outages, information technology systems and network disruptions, cyber-security breaches, terrorist attacks, armed conflicts, war, pandemic diseases, fires, floods or other catastrophic events, could seriously harm Valvoline's operations, as well as the operations of Valvoline's customers and suppliers, and may adversely impact Valvoline's financial performance. Although it is impossible to predict the occurrence or consequences of any such events, they could result in reduced demand for Valvoline's products, make it difficult or impossible for Valvoline to manufacture its products or deliver products and services to its customers or to receive raw materials from suppliers, or create delays and inefficiencies in the supply chain. In addition to leading to a serious disruption of Valvoline's businesses, a catastrophic event at one of Valvoline's facilities or involving its products or employees could lead to substantial legal liability to or claims by parties allegedly harmed by the event.

While Valvoline maintains business continuity plans that are intended to allow it to continue operations or mitigate the effects of events that could disrupt its business, Valvoline cannot provide assurances that its plans would fully protect it from all such events. In

addition, insurance maintained by Valvoline to protect against property damage, loss of business and other related consequences resulting from catastrophic events is subject to coverage limitations, depending on the nature of the risk insured. This insurance may not be sufficient to cover all of Valvoline's damages or damages to others in the event of a catastrophe. In addition, insurance related to these types of risks may not be available now or, if available, may not be available in the future at commercially reasonable rates.

Valvoline has incurred, and will continue to incur, costs as a result of environmental, health and safety ("EHS"), and hazardous substances liabilities and related compliance requirements. These costs could adversely impact Valvoline's cash flow, and, to the extent they exceed its established reserves for these liabilities, its results of operations or financial condition.

Valvoline is subject to extensive federal, state, local and foreign laws, regulations, rules and ordinances relating to pollution, protection of the environment and human health and safety, as well as the generation, storage, handling, treatment, disposal and remediation of hazardous substances and waste materials. Valvoline has incurred, and will continue to incur, costs and capital expenditures to comply with these laws and regulations.

EHS regulations change frequently, and such regulations and their enforcement have tended to become more stringent over time. Accordingly, changes in EHS laws and regulations and the enforcement of such laws and regulations could interrupt Valvoline's operations, require modifications to its facilities or cause it to incur significant liabilities, costs or losses that could adversely affect its profitability. Actual or alleged violations of EHS laws and regulations could result in restrictions or prohibitions on plant operations as well as substantial damages, penalties, fines, civil or criminal sanctions and remediation costs.

Valvoline's business involves the production, storage and transportation of hazardous substances. Under some environmental laws, Valvoline may be strictly liable and/or jointly and severally liable for environmental damages caused by releases of hazardous substances and waste materials into the environment. For instance, under relevant laws and regulations Valvoline may be deemed liable for soil and/or groundwater contamination at sites it currently owns and/or operates even though the contamination was caused by a third party such as a former owner or operator, and at sites it formerly owned and operated if the release of hazardous substances or waste materials was caused by it or by a third party during the period it owned and/or operated the site. Valvoline also may be deemed liable for soil and/or groundwater contamination at sites to which it sent hazardous wastes for treatment or disposal, notwithstanding that the original treatment or disposal activity accorded with all applicable regulatory requirements.

Valvoline is responsible for, and has financial exposure to, liabilities from pending and threatened claims which could adversely impact its results of operations and cash flow.

There are various claims, lawsuits and administrative proceedings pending or threatened against Valvoline. Such actions are with respect to commercial matters, false advertising, product liability, toxic tort liability and other matters that seek remedies or damages, some of which are for substantial amounts. While these actions are being contested, their outcome is not predictable. Valvoline's results could be adversely affected by financial exposure to these liabilities. Further, as a potential successor to Ashland, Valvoline may be subject to a consent order dated January 5, 1998 with the U.S. Federal Trade Commission arising out of charges that ads for Valvoline's TM8 Engine Treatment product contained claims that were unsubstantiated. Under the consent order, which expires January 5, 2018, Valvoline may not make unsubstantiated claims about the performance or attributes of any engine treatment in the future or misrepresent results of tests or studies used to support Valvoline's claims. Valvoline has agreed to indemnify Ashland for any liability arising out of the consent order. Valvoline could also be subject to additional legal proceedings in the future that may adversely affect its business, including administrative proceedings, class actions, employment and personal injury claims, disputes with current or former suppliers, claims by current or former franchisees and intellectual property claims.

Insurance maintained by Valvoline to protect against claims for damages alleged by third parties is subject to coverage limitations, depending on the nature of the risk insured. This insurance may not be sufficient to cover all of Valvoline's liabilities to others. In addition, insurance related to these types of risks may not be available now or, if available, may not be available in the future at commercially reasonable rates.

Valvoline's substantial indebtedness may adversely affect its business, results of operations and financial condition.

As a result of indebtedness Valvoline incurred in connection with the IPO, Valvoline has substantial indebtedness and financial obligations. As of November 30, 2016, Valvoline had outstanding indebtedness with a principal amount of approximately $677 million. Valvoline's substantial indebtedness could adversely affect its business, results of operations and financial condition by, among other things:

- requiring Valvoline to dedicate a substantial portion of its cash flow from operations to pay principal and interest on its debt, which would reduce the availability of its cash flow to fund working capital, capital expenditures, acquisitions, execution of its growth strategy and other general corporate purposes;
- limiting Valvoline's ability to borrow additional amounts to fund working capital, capital expenditures, acquisitions, debt service requirements, execution of its growth strategy and other purposes;

- making Valvoline more vulnerable to adverse changes in general economic, industry and regulatory conditions and in its business by limiting its flexibility in planning for, and making it more difficult for it to react quickly to, changing conditions;
- placing Valvoline at a competitive disadvantage compared with its competitors that have less debt and lower debt service requirements;
- making Valvoline more vulnerable to increases in interest rates since some of its indebtedness is subject to variable rates of interest; and
- making it more difficult for Valvoline to satisfy its financial obligations.

In addition, Valvoline may not be able to generate sufficient cash flow from its operations to repay its indebtedness when it becomes due and to meet its other cash needs. If Valvoline is not able to pay its debts as they become due, it could be in default under the terms of its indebtedness. Valvoline might also be required to pursue one or more alternative strategies to repay indebtedness, such as selling assets, refinancing or restructuring its indebtedness or selling additional debt or equity securities. Valvoline may not be able to refinance its debt or sell additional debt or equity securities or its assets on favorable terms, if at all, and if it must sell its assets, it may negatively affect its ability to generate revenues.

If Valvoline is unable to access the capital markets or obtain bank credit, its financial position, growth plans, liquidity and results of operations could be negatively impacted.

Valvoline is dependent on a stable, liquid, and well-functioning financial system to fund its operations and capital investments. In particular, Valvoline may rely on the public or private debt markets to fund portions of its capital investments and the commercial paper market and bank credit facilities to fund seasonal needs for working capital. Valvoline's access to these markets depends on multiple factors including the condition of debt capital markets, its operating performance and credit ratings. If rating agencies lower Valvoline's credit ratings, it could adversely impact its ability to access the debt markets, its cost of funds and other terms for new debt issuances. Each of the credit rating agencies reviews its rating periodically, and there is no guarantee Valvoline's current credit rating will remain the same.

Valvoline is subject to payment-related risks for owned VIOC stores.

At company-owned VIOC stores, Valvoline accepts a variety of payment methods, including credit cards and debit cards. Accordingly, Valvoline is, and will continue to be, subject to significant and evolving regulations and compliance requirements, including obligations to implement enhanced authentication processes that could result in increased costs, reduce the ease of use of certain payment methods and expand liability for Valvoline. For certain payment methods, including credit and debit cards, Valvoline pays interchange and other fees, which may increase over time. Valvoline relies on independent service providers for payment processing, including credit and debit cards. If these independent service providers become unwilling or unable to provide these services to Valvoline, or if the cost of using these providers increases, Valvoline's business could be harmed. Valvoline is also subject to payment card association operating rules, including data security rules, certification requirements and rules governing electronic funds transfers, which could change or be reinterpreted to make it difficult or impossible for Valvoline to comply. If Valvoline fails to comply with these rules or requirements, or if its data security systems are breached or compromised, Valvoline may be liable for losses incurred by card issuing banks or consumers, subject to fines and higher transaction fees, lose its ability to accept credit and debit card payments from its customers or process electronic fund transfers or facilitate other types of payments and its brand, business and results of operations could be significantly harmed.

Risks Related to Valvoline's Separation from Ashland

The Stock Distribution may not occur and the Separation may not be successful.

Although it became a stand-alone public company upon completion of the IPO on September 28, 2016, Valvoline continues to be controlled by Ashland. Ashland has announced its intention to distribute the remaining shares of Valvoline common stock in 2017 following the release of the second fiscal quarter end financial results by both Ashland and Valvoline. Ashland is subject to a lockup agreement which prohibits Ashland from selling or distributing its ownership in Valvoline until after a period of 180 days from the date of IPO. However, Ashland may abandon or change the structure of the Stock Distribution if it determines, in its sole discretion, that the Stock Distribution is not in the best interest of Ashland or its shareholders. Such determination may take into account, without limitation, the potential impact on the Stock Distribution of a change in control of Ashland.

In addition, the process of operating as a stand-alone public company may distract Valvoline's management from focusing on its business and strategic priorities. Further, although Valvoline expects to maintain direct access to the debt and equity capital markets, Valvoline may not be able to issue debt or equity on terms acceptable to it or at all. Moreover, even with equity compensation tied to Valvoline's business, Valvoline may not be able to attract and retain employees as desired. Valvoline also may not fully realize the anticipated benefits of being a stand-alone public company if any of the risks identified in this "Risk Factors" section, or other events,

were to occur. If Valvoline does not realize these anticipated benefits for any reason, its business may be negatively affected. In addition, the Separation could adversely affect Valvoline's operating results and financial condition.

As long as Ashland controls Valvoline, other shareholders' ability to influence matters requiring shareholder approval will be limited.

Ashland owns approximately 83% of the total outstanding shares of Valvoline common stock, and three members of Valvoline's board of directors, William A. Wulfsohn, Stephen F. Kirk and Vada O. Manager, are also members of the Ashland board of directors. For so long as Ashland beneficially owns shares of Valvoline common stock representing at least a majority of the votes entitled to be cast by the holders of Valvoline's outstanding common stock, other shareholders will not be able to affect the outcome of any shareholder vote and Ashland will be able to control, directly or indirectly, significant matters affecting Valvoline, including the election and removal of Valvoline's directors, amendments to Valvoline's articles of incorporation, determinations with respect to mergers, business combinations, dispositions of assets or other extraordinary corporate transactions and agreements that may adversely affect Valvoline. In addition, if Ashland does not provide any requisite affirmative vote on matters requiring shareholder approval, Valvoline will not be able to take these corporate actions and, as a result, its business and results of operations may be adversely affected. Ashland's interest may conflict with the interests of Valvoline's other shareholders.

The Stock Distribution could result in significant tax liability to Ashland, and in certain circumstances, Valvoline could be required to indemnify Ashland for material taxes pursuant to indemnification obligations under the Tax Matters Agreement.

Ashland expects to obtain a written opinion of counsel to the effect that the Stock Distribution should qualify for non-recognition of gain and loss under Section 355 of the Internal Revenue Code of 1986, as amended (the "Code"). The opinion of counsel would not address any U.S. state or local or foreign tax consequences of the Stock Distribution. The opinion will assume that the Stock Distribution will be completed according to the terms of the Separation Agreement entered into between Ashland and Valvoline ("Separation Agreement") and will rely on the facts as described in the Separation Agreement, the Tax Matters Agreement, other ancillary agreements, the information statement to be distributed to Ashland's shareholders in connection with the Stock Distribution and a number of other documents. In addition, the opinion will be based on certain representations as to factual matters from, and certain covenants by, Ashland and Valvoline. The opinion cannot be relied on if any of the assumptions, representations or covenants is incorrect, incomplete or inaccurate or is violated in any material respect.

The opinion of counsel will not be binding on the Internal Revenue Service (the "IRS") or the courts, and there can be no assurance that the IRS or a court will not take a contrary position. Ashland has not requested, and does not intend to request, a ruling from the IRS regarding the U.S. federal income tax consequences of the Stock Distribution.

If the Stock Distribution were determined not to qualify for non-recognition of gain and loss, then Ashland would recognize a gain as if it had sold its Valvoline common stock in a taxable transaction in an amount up to the fair market value of the common stock it distributed in the Stock Distribution. In addition, certain reorganization transactions undertaken in connection with the Separation and the Stock Distribution could be determined to be taxable, which could result in additional taxable gain. Under certain circumstances, Valvoline could have an indemnification obligation to Ashland with respect to tax on some or all of such gain.

Valvoline could have an indemnification obligation to Ashland if events or actions subsequent to the Stock Distribution cause the Stock Distribution to be taxable.

If, due to breaches of covenants that Valvoline has agreed to in connection with the Separation or will agree to in connection with the Stock Distribution, it were determined that the Stock Distribution did not qualify for non-recognition of gain and loss, Valvoline could be required to indemnify Ashland for the resulting taxes (and reasonable expenses). In addition, Section 355(e) of the Code generally creates a presumption that the Stock Distribution would be taxable to Ashland, but not to its shareholders, if Valvoline or its shareholders were to engage in transactions that result in a 50% or greater change (by vote or value) in the ownership of Valvoline's stock during the four-year period beginning on the date that begins two years before the date of the Stock Distribution, unless it were established that such transactions and the Stock Distribution were not part of a plan or series of related transactions. If the Stock Distribution were taxable for U.S. federal income tax purposes to Ashland due to a breach of Valvoline's covenants or a 50% or greater change in the ownership of Valvoline's stock, Ashland would recognize gain as if it had sold Valvoline common stock in a taxable transaction in an amount up to the fair market value of the stock held by it immediately before the Stock Distribution, and Valvoline generally would be required to indemnify Ashland for the tax on such gain and related expenses, as well as any additional gain in connection with certain reorganization transactions undertaken to effect the Separation and the Stock Distribution. Any such obligation could have a material impact on Valvoline's operations.

Valvoline has agreed to numerous restrictions to preserve the tax-free nature of the Stock Distribution, which may reduce its strategic and operating flexibility.

Valvoline has agreed in the Tax Matters Agreement to covenants and indemnification obligations designed to preserve the tax-free nature of the Stock Distribution. These covenants and indemnification obligations may limit Valvoline's ability to pursue strategic transactions or engage in new businesses or other transactions that might be beneficial and could discourage or delay a strategic transaction that its shareholders may consider favorable.

Although Valvoline entered into a Tax Matters Agreement under which the amount of its tax sharing payments to Ashland after the IPO will generally be determined as if Valvoline filed its own consolidated, combined or separate tax returns, Valvoline nevertheless will have joint and several liability with Ashland for the consolidated U.S. federal income taxes of the Ashland consolidated group for the taxable periods in which Valvoline was part of the Ashland consolidated group. In addition, Valvoline has agreed to indemnify Ashland for certain pre-IPO U.S. taxes that arise on audit and are directly attributable to neither the Valvoline business nor Ashland's specialty ingredients and performance materials businesses (collectively, the "Chemicals business").

Valvoline will be included in the U.S. federal consolidated group tax return, and possibly certain combined or similar group tax returns, with Ashland ("Ashland Group Returns") for the period starting approximately on the date of the closing of the IPO and through the date of the Stock Distribution (the "Interim Period"). Under the Tax Matters Agreement, Ashland will generally make all necessary tax payments to the relevant tax authorities with respect to Ashland Group Returns, and Valvoline will make tax sharing payments to Ashland. The amount of Valvoline's tax sharing payments will generally be determined as if Valvoline and each of its relevant subsidiaries included in the Ashland Group Returns filed its own consolidated, combined or separate tax returns for the Interim Period that include only Valvoline and/or its relevant subsidiaries, as the case may be.

For taxable periods that begin on or after the day after the date of the Stock Distribution, Valvoline will no longer be included in any Ashland Group Returns and will file tax returns that include only Valvoline and/or its subsidiaries, as appropriate. Valvoline will not be required to make tax sharing payments to Ashland for those taxable periods. Nevertheless, Valvoline has (and will continue to have following the Stock Distribution) joint and several liability with Ashland to the IRS for the consolidated U.S. federal income taxes of the Ashland consolidated group for the taxable periods in which Valvoline was part of the Ashland consolidated group.

Pursuant to the terms of the Tax Matters Agreement, Valvoline will indemnify Ashland for certain U.S. federal, state or local taxes for any tax period (prior to the closing of the IPO) of Ashland and/or its subsidiaries for that period that arise on audit or examination and are directly attributable to neither the Valvoline business nor the Chemicals business. Any payment obligations that may arise as a result of Valvoline assuming liability for such taxes could negatively affect its financial position and cash flows.

Valvoline has only been a stand-alone public company since September 2016, and its historical financial information is not necessarily representative of the results it would have achieved as a stand-alone public company prior to September 2016 and may not be a reliable indicator of its future results.

The historical financial information Valvoline has included in this annual report on Form 10-K does not reflect what its financial position, results of operations or cash flows would have been had it been a stand-alone entity during the historical periods presented, or what its financial position, results of operations or cash flows will be in the future.

If Ashland experiences a change in control, Valvoline's current plans and strategies could be subject to change.

As long as Ashland controls Valvoline, it will have significant influence over Valvoline's plans and strategies, including strategies relating to marketing and growth. In the event Ashland experiences a change in control, a new Ashland owner may attempt to cause Valvoline to revise or change its plans and strategies, as well as the agreements between Ashland and Valvoline, referenced in this annual report on Form 10-K. A new owner may also have different plans with respect to the contemplated Stock Distribution of Valvoline common stock to Ashland shareholders, including not affecting such a Stock Distribution.

Valvoline's ability to operate its business effectively may suffer if it is unable to cost-effectively establish its own administrative and other support functions in order to operate as a stand-alone company after the expiration of its shared services and other intercompany agreements with Ashland.

As a business segment of Ashland, Valvoline relied on administrative and other resources of Ashland, including information technology, accounting, finance, human resources and legal, to operate Valvoline's business. In connection with the IPO, Valvoline entered into various service agreements to retain the ability for specified periods to use these Ashland resources. These services may not be provided at the same level as when Valvoline was a business segment within Ashland, and Valvoline may not be able to obtain the same benefits that it received prior to the IPO. These services may not be sufficient to meet Valvoline's needs, and after Valvoline's agreements with Ashland expire (which will generally occur within 24 months following the closing of the IPO), Valvoline may not be able to replace these services at all or obtain these services at prices and on terms as favorable as it currently has with Ashland.

Valvoline will need to create its own administrative and other support systems or contract with third parties to replace Ashland's systems. In addition, Valvoline has received informal support from Ashland which may not be addressed in the agreements it has entered into with Ashland, and the level of this informal support may diminish as Valvoline becomes a more independent company. Any failure or significant downtime in Valvoline's administrative systems or in Ashland's administrative systems during the transitional period could result in unexpected costs, impact Valvoline's results and/or prevent Valvoline from paying its suppliers or employees and performing other administrative services on a timely basis.

After the IPO, Valvoline is a smaller company relative to Ashland, which could result in increased costs because of a decrease in Valvoline's purchasing power.

Prior to the IPO, Valvoline was able to take advantage of Ashland's size and purchasing power in procuring goods, technology and services, including insurance, employee benefit support and audit and other professional services. Valvoline is a smaller company than Ashland, and Valvoline cannot assure you that it will have access to financial and other resources comparable to those available to it prior to the IPO. As a stand-alone company, Valvoline may be unable to obtain office space, goods, technology and services at prices or on terms as favorable as those available to it prior to the IPO, which could increase its costs and reduce its profitability.

In order to preserve the ability for Ashland to distribute its shares of Valvoline common stock on a tax-free basis, Valvoline may be prevented from pursuing opportunities to raise capital, to effectuate acquisitions or to provide equity incentives to its employees, which could hurt its ability to grow.

Beneficial ownership by Ashland of at least 80% of the total voting power of Valvoline's classes of voting stock and 80% of each class of its non-voting stock is required in order for Ashland to effect the Stock Distribution of Valvoline or certain other tax-free transactions. Valvoline has agreed that, so long as the Stock Distribution could, in the reasonable discretion of Ashland, be effectuated, Valvoline will not knowingly take or fail to take, or permit any of its affiliates to knowingly take or fail to take, any action that could reasonably be expected to preclude Ashland's ability to effectuate the Stock Distribution. As a result, Valvoline may be precluded from pursuing certain growth initiatives, including the creation of a class of non-voting stock.

Ashland has agreed to indemnify Valvoline for certain liabilities. However, there can be no assurance that the indemnity will be sufficient to insure Valvoline against the full amount of such liabilities, or that Ashland's ability to satisfy its indemnification obligation will not be impaired in the future.

Pursuant to the Separation Agreement and certain other agreements with Ashland, Ashland has agreed to indemnify Valvoline for certain liabilities. However, third parties could also seek to hold Valvoline responsible for any of the liabilities that Ashland has agreed to retain, and there can be no assurance that the indemnity from Ashland will be sufficient to protect Valvoline against the full amount of such liabilities, or that Ashland will be able to fully satisfy its indemnification obligations in the future. Even if Valvoline ultimately succeeded in recovering from Ashland any amounts for which Valvoline is held liable, Valvoline may be temporarily required to bear these losses. Each of these risks could negatively affect Valvoline's business, financial position, results of operations and cash flows.

Some of Valvoline's directors and executive officers own Ashland common stock, restricted shares of Ashland common stock or options to acquire Ashland common stock and hold positions with Ashland, which could cause conflicts of interest, or the appearance of conflicts of interest, that result in Valvoline not acting on opportunities it otherwise may have.

Some of Valvoline's directors and executive officers own Ashland common stock, restricted shares of Ashland stock or options to purchase Ashland common stock. In addition, Mr. Wulfsohn serves as Non-Executive Chairman of Valvoline's board of directors and as Chairman and Chief Executive Officer of Ashland, and Stephen F. Kirk and Vada O. Manager, who serve on Valvoline's board of directors, are independent directors of Ashland.

Ownership of Ashland common stock, restricted shares of Ashland common stock and options to purchase Ashland common stock by Valvoline's directors and executive officers and the presence of executive officers or directors of Ashland on Valvoline's board of directors could create, or appear to create, conflicts of interest with respect to matters involving both Valvoline and Ashland that could have different implications for Ashland than they do for Valvoline. For example, potential conflicts of interest could arise in connection with the resolution of any dispute between Ashland and Valvoline regarding terms of the agreements entered into by Ashland and Valvoline governing the Separation and the relationship between Ashland and Valvoline thereafter, including the Separation Agreement, the Tax Matters Agreement, the Employee Matters Agreement ("Employee Matters Agreement"), the Transition Services Agreement ("Transition Services Agreement"), Reverse Transition Services Agreement entered ("Reverse Transition Services Agreement") and certain commercial agreements. Potential conflicts of interest could also arise if Valvoline entered into commercial arrangements with Ashland in the future. As a result of these actual or apparent conflicts of interest, Valvoline may be precluded from pursuing certain growth initiatives.

Valvoline's inability to resolve favorably any disputes that arise between Valvoline and Ashland with respect to their past and ongoing relationships may adversely affect its operating results.

Disputes may arise between Ashland and Valvoline in a number of areas relating to their past and ongoing relationships, including:

- labor, tax, employee benefit, indemnification and other matters arising from Valvoline's separation from Ashland;
- employee retention and recruiting;
- business combinations involving Valvoline; and
- the nature, quality and pricing of services that Valvoline and Ashland have agreed to provide each other.

Valvoline may not be able to resolve potential conflicts, and even if it does, the resolution may be less favorable than if Valvoline were dealing with an unaffiliated party.

The agreements Valvoline entered into with Ashland may be amended upon agreement between the parties. While Valvoline is controlled by Ashland, Valvoline may not have the leverage to negotiate amendments to these agreements, if required, on terms as favorable to Valvoline as those Valvoline would negotiate with an unaffiliated third party.

Valvoline may have received better terms from unaffiliated third parties than the terms it received in the agreements it entered into with Ashland.

The agreements Valvoline entered into with Ashland in connection with the Separation, including the Separation Agreement, the Tax Matters Agreement, the Employee Matters Agreement, the Transition Services Agreement, the Reverse Transition Services Agreement, the equity registration rights agreement with respect to Ashland's continuing ownership of Valvoline common stock, a shared environmental liabilities agreement and certain commercial agreements, were prepared in the context of the Separation while Valvoline was still a wholly owned subsidiary of Ashland. Accordingly, during the period in which the terms of those agreements were prepared, Valvoline did not have an independent board of directors or a management team that was independent of Ashland. As a result, the terms of those agreements may not reflect terms that would have resulted from arm's-length negotiations between unaffiliated third parties.

Failure to achieve and maintain effective internal controls in accordance with Section 404 of Sarbanes- Oxley could have a material adverse effect on Valvoline's business and stock price.

As a public company, Valvoline is subject to Section 404 of Sarbanes-Oxley, which, beginning with Valvoline's annual report for the fiscal year ending September 30, 2017, requires annual assessments by Valvoline's management of the effectiveness of Valvoline's internal control over financial reporting and annual reports by Valvoline's independent registered public accounting firm that address the effectiveness of internal control over financial reporting. During the course of its testing, Valvoline may identify deficiencies which it may not be able to remediate in time to meet its deadline for compliance with Section 404. Testing and maintaining internal control can divert management's attention from other matters that are important to the operation of Valvoline's business. Valvoline also expect the regulations under Sarbanes-Oxley to increase its legal and financial compliance costs, make it more difficult to attract and retain qualified officers and members of its board of directors, particularly to serve on Valvoline's audit committee, and make some activities more difficult, time consuming and costly. Valvoline may not be able to conclude on an ongoing basis that it has effective internal control over financial reporting in accordance with Section 404 or Valvoline's independent registered public accounting firm may not be able or willing to issue an unqualified report on the effectiveness of Valvoline's internal control over financial reporting. If Valvoline concludes that its internal control over financial reporting is not effective, Valvoline cannot be certain as to the timing of completion of its evaluation, testing and remediation actions or their effect on its operations because there is presently no precedent available by which to measure compliance adequacy. If either Valvoline is unable to conclude that it has effective internal control over financial reporting or its independent auditors are unable to provide it with an unqualified report as required by Section 404, then investors could lose confidence in Valvoline's reported financial information, which could have a negative effect on the trading price of Valvoline's stock.

ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

ITEM 2. PROPERTIES

Valvoline's corporate headquarters is located in Lexington, Kentucky. Valvoline owns or leases approximately 40 facilities throughout the United States, Australia, Brazil, Canada, China, Croatia, India, Indonesia, the Netherlands, New Zealand, the Philippines, Russia, Singapore, the U.K. and Vietnam that comprise over 2,000,000 square feet of blending, packaging, distribution, warehouse and office space. In addition, Valvoline owns or leases the property associated with 342 quick lubes stores under the VIOC and Oil Can Henry's brands throughout the United States. The properties leased by Valvoline have expiration dates ranging from less than one year to more than 25 years (including certain renewal options).

Valvoline leases approximately 247,000 square feet for its corporate headquarters in Lexington, Kentucky pursuant to a lease that will expire in 2017. Valvoline has already entered into a long-term lease for a new 162,500 square foot facility in Lexington, Kentucky, which is currently under construction, and Valvoline plans to relocate its corporate headquarters to that facility in conjunction with the expiration of the lease for its current corporate headquarters.

The following table provides a summary of Valvoline's major facilities:

Location	Approx. Area (Sq. Ft.)	Principal Use
Leased Properties:		
Sydney, Australia	60,000	Blending & Packaging
Lexington, Kentucky	247,000	Current Corporate Headquarters
West Chester, Ohio	320,000	Warehouse & Distribution
Leetsdale, Pennsylvania	125,000	Warehouse & Distribution
Willow Springs, Illinois	95,000	Blending & Packaging

Dordrecht, Netherlands	150,000	Blending, Packaging & Warehouse
Owned Properties:		
Mississauga, Canada	63,000	Warehouse & Distribution
Santa Fe Springs, California	100,000	Blending & Packaging
St. Louis, Missouri	78,000	Blending & Packaging
Cincinnati, Ohio	140,000	Blending, Packaging & Warehouse
Freedom (Rochester), Pennsylvania	88,000	Blending & Packaging
Deer Park, Texas	87,000	Blending & Packaging

In addition, throughout North America, Valvoline contracts with third parties to provide blending and packaging and warehousing and distribution services. Lastly, Valvoline is part of a joint venture that operates a blending and packaging facility in Ambarnath, India and warehouses and distributes products throughout India via numerous facilities around the country. Principal manufacturing, marketing and other materially important physical properties of Valvoline and its subsidiaries are described within the applicable business units under "Item 1" in this annual report on Form 10-K. All of Valvoline's physical properties are owned or leased. Valvoline believes its physical properties are suitable and adequate for the Company's business. Additional information concerning certain leases may be found in Note 10 of Notes to Consolidated Financial Statements in this annual report on Form 10-K.

ITEM 3. LEGAL PROCEEDINGS

From time to time Valvoline is involved in claims and legal actions that arise in the ordinary course of business. While Valvoline cannot predict with certainty the outcome, costs recognized with respect to such actions were immaterial during the year ended September 30, 2016. Valvoline does not have any currently pending claims or litigation which Valvoline believes, individually or in the aggregate, will have a material adverse effect on its financial position, results of operations, liquidity or capital resources.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

ITEM X. EXECUTIVE OFFICERS OF VALVOLINE

The following is a list of Valvoline's executive officers, their ages and their positions and offices during the last five years (listed alphabetically after the Chief Executive Officer and the current members of Valvoline's Executive Committee).

SAMUEL J. MITCHELL, JR. (age 55) is Chief Executive Officer and Director of Valvoline. Mr. Mitchell was appointed as a director and Chief Executive Officer in May 2016 and September 2016, respectively. He served as Senior Vice President of Ashland from 2011 to September 2016 and President of Valvoline from 2002 to September 2016. As Chief Executive Officer, Mr. Mitchell's significant experience and knowledge in the areas of finance, accounting, business operations, management, manufacturing, safety, risk oversight
and corporate governance, as well as his experience in the lubricants industry, provide him with the qualifications and skills to serve as a director on Valvoline's board of directors.

MARY E. MEIXELSPERGER (age 56) is Chief Financial Officer of Valvoline since June 2016. Prior to joining Valvoline, Ms. Meixelsperger was Senior Vice President and Chief Financial Officer of DSW Inc. from April 2014 to June 2016 and held the roles of Chief Financial Officer, Controller and Treasurer at Shopko Stores from 2006 to 2014. Ms. Meixelsperger also served as Chief Financial Officer for two non-profit organizations from 1993 to 2004 and for Worldmark Group, a private equity firm, from 1986 to 1991. Ms. Meixelsperger started her career in public accounting at Arthur Young and Company.

JULIE M. O'DANIEL (age 49) is General Counsel and Corporate Secretary of Valvoline since September 2016. She served as Lead Commercial Counsel of Valvoline from April 2014 to September 2016. Ms. O'Daniel previously served as Litigation Counsel of Valvoline from July 2007 to April 2014.

THOMAS A. GERRALD II (age 52) is Senior Vice President, Core North America of Valvoline since September 2016. He served as Senior Vice President, U.S. Installer Channel, of Valvoline from June 2012 to September 2016. Prior to that, Mr. Gerrald served as Vice President, Supply Chain - Order-To-Cash, of Ashland from October 2010 to June 2012.

FRANCES E. LOCKWOOD (age 66) is Chief Technology Officer of Valvoline since September 2016. She served as Senior Vice President, Technology, of Valvoline from May 1994 to September 2016.

HEIDI J. MATHEYS (age 44) is Chief Marketing Officer of Valvoline since September 2016. She served as Senior Vice President, Do-It-Yourself Channels, of Valvoline from August 2013 to September 2016. Ms. Matheys previously served as Vice President, Global Brands, of Valvoline from September 2012 to August 2013. From May 2012 to September 2012, Ms. Matheys was the owner of Empatico LLC, a marketing and consulting firm, and from March 2008 to June 2012, she served as Global Marketing Director at Novartis (Alcon & Cibavision).

CRAIG A. MOUGHLER (age 59) is Senior Vice President, International & Product Supply of Valvoline since September 2016. He served as Senior Vice President and Managing Director, International, of Valvoline from October 2002 to September 2016.

ANTHONY R. PUCKETT (age 54) is President, Quick Lubes of Valvoline since September 2016. He served as President of Valvoline Instant Oil Change from August 2007 to September 2016.

VICTOR T. RIOS (age 47) is Chief Information Officer and Chief Digital Officer since June 2016. Prior to joining Valvoline, Mr. Rios was Chief Information Officer for Consumer Medical Technologies of Johnson & Johnson from November 2013 to February 2016 and held the roles of Chief Information Officer of Vision Care and Vice President of IT, Global Solutions Delivery at Johnson & Johnson from 2011 to 2013.

DAVID J. SCHEVE (age 41) is Chief Accounting Officer and Controller of Valvoline, effective October 2016. He joined the Company from Southern Graphic Systems, a supplier of design-to-print brand development products and services, where he started in June 2007 as its Global Corporate Controller and was most recently its Chief Financial Officer and Vice President of Finance, responsible for, among other things, overseeing all finance and accounting staff globally.

SARA K. STENSRUD (age 49) is Chief People and Communication Officer of Valvoline. Prior to joining Valvoline, Ms. Stensrud was Executive Vice President Chief Human Resources Officer of Chico's FAS, Inc. from 2010 to 2016 and was Senior Vice President of Human Resources of Shopko Stores from 2006 to 2010.

Each executive officer is elected by the Board of Directors of Valvoline (the "Board") at the Board's annual meeting to a term lasting until the Board's next annual meeting and until a successor is duly elected, or until the officer's earlier death, resignation or removal. The term of any executive officer elected other than at an annual meeting also lasts until the next annual meeting of the Board and until a successor is duly elected, or until the officer's earlier death, resignation or removal.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

Use of Proceeds from Registered Securities

On September 22, 2016, Valvoline's registration statement on Form S-1 (File No. 333-211720) (the "registration statement") was declared effective by the SEC for Valvoline's initial public offering, pursuant to which Valvoline sold an aggregate 34.5 million shares of its common stock, including 4.5 million shares pursuant to the underwriters' option to purchase additional shares. The IPO was completed on September 28, 2016 at a price to the public of $22.00 per share, resulting in net proceeds, net of underwriting discounts and other expenses, of approximately $712 million. Valvoline used approximately $637 million of these net proceeds to repay indebtedness incurred by Valvoline prior to the completion of the IPO and approximately $75 million of these net proceeds were retained for general corporate purposes. This does not represent any material change from Valvoline's planned use for IPO proceeds as described in the final prospectus filed with the SEC on September 26, 2016 pursuant to Rule 424(b).

The proceeds of the indebtedness incurred by Valvoline prior to the completion of the IPO were transferred to Ashland. Other than these transfers, no payments were made from the proceeds of the IPO by Valvoline to its directors, officers or persons owning ten percent or more of Valvoline's common stock or to their associates, or to any of Valvoline's affiliates. Ashland paid approximately $7 million of offering expenses in connection with the IPO. Other than these expenses, none of the underwriting discounts or other offering expenses were incurred by or paid to Valvoline directors or officers or their associates or persons owning ten

percent or more of Valvoline common stock or to any of Valvoline's affiliates.

Market Information

Valvoline's common stock began trading on the New York Stock Exchange under the symbol "VVV" on September 23, 2016. Valvoline's common stock also has trading privileges on NASDAQ. Prior to September 23, 2016, there was no public market for Valvoline's common stock. As a result, Valvoline has not set forth quarterly information with respect to the high and low prices of its common stock for the most recent fiscal years. As of November 30, 2016, there were approximately 10 holders of record of Valvoline common stock. As of November 30, 2016, Ashland owned approximately 83% of Valvoline's common stock.

Valvoline did not purchase any of its equity securities, nor did it issue or sell any securities, other than to Ashland upon Valvoline's formation, pursuant to any unregistered offering, during the period covered by this report. There are currently no authorized repurchase programs in effect under which Valvoline may repurchase shares of its outstanding common stock.

Dividend Policy

Valvoline intends to pay quarterly cash dividends to holders of its common stock beginning with the Company's first dividend which is payable on December 20, 2016. The declaration and payment of dividends to holders of Valvoline common stock will be at the discretion of the Board in accordance with applicable law after taking into account various factors, including Valvoline's financial condition, operating results, current and anticipated cash needs, cash flows, impact on Valvoline's effective tax rate, indebtedness, legal requirements and other factors that the Board deems relevant. In addition, the instruments governing Valvoline's indebtedness may limit its ability to pay dividends. Therefore, no assurance is given that Valvoline will pay any dividends to its shareholders, or as to the amount of any such dividends if the Board determines to do so.

ITEM 6. SELECTED FINANCIAL DATA

Valvoline Inc. and Consolidated Subsidiaries

Five-Year Selected Financial Information (a)

(In millions)	For the years ended September 30				
	2016	2015	2014	2013	2012
Summary of operations					(unaudited)
Sales	$ 1,929	$ 1,967	$ 2,041	$ 1,996	$ 2,034
Gross profit	$ 761	$ 685	$ 632	$ 658	$ 532
Operating income	$ 431	$ 323	$ 264	$ 381	$ 172
Net income	$ 273	$ 196	$ 173	$ 246	$ 114
Common stock information					
Basic and diluted earnings per share (b)	$ 1.33	$ 0.96	$ 0.84	$ 1.20	$ 0.55
Dividends per common share	$ —	$ —	$ —	$ —	$ —
Cash flow information					
Cash flows from operating activities	$ 311	$ 330	$ 170	$ 273	$ 138
Less: additions to property, plant and equipment	(66)	(45)	(37)	(41)	(40)
Free cash flow (c)	$ 245	$ 285	$ 133	$ 232	$ 98

(In millions)	As of September 30				
	2016	2015	2014	2013	2012
Balance sheet information				(unaudited)	(unaudited)
Total assets	$ 1,817	$ 978	$ 1,083	$ 1,062	$ 1,024
Long-term debt (including current portion)	$ 743	$ —	$ —	$ —	$ —
Stockholder's (deficit) equity	$ (325)	$ 617	$ 725	$ 684	$ 670

Unaudited (in millions)	For the years ended September 30				
	2016	2015	2014	2013	2012
Other financial data					
Lubricant sales volume (gallons)	174.5	167.4	162.6	158.4	158.7
Company-owned same-store sales growth (d)	6%	8%	5%	2%	4%
Franchisee same-store sales growth (d)(e)	8%	8%	6%	2%	2%
EBITDA (f)	$ 468	$ 335	$ 301	$ 416	$ 207
Adjusted EBITDA (f)	$ 457	$ 421	$ 368	$ 342	$ 275

(a) During the periods presented, Valvoline experienced certain changes in the composition of its assets and liabilities affecting the comparability of financial information between years. These changes include, but are not limited to, the impact of immediately recognizing actuarial gain and loss remeasurements for defined benefit pension and other postretirement benefit plans. During the five years ended September 30 presented above, Valvoline recognized a gain of $18 million in 2016 , a loss of $46 million in 2015 , a loss of $61 million in 2014 , a gain of $74 million in 2013 , and a loss of $68 million in 2012 .

(b) Per share amounts for periods prior to September 30, 2016 have been presented for comparability only. There were no outstanding shares of Valvoline prior to the IPO in September 2016. The share count utilized for all prior period calculations was the share count as of September 30, 2016.

(c) Valvoline uses free cash flow as an additional non-GAAP metric of cash flow generation. By deducting capital expenditures from operating cash flows, the Company is able to provide a better indication of the ongoing cash being generated that is ultimately available for both debt and equity holders as well as other investment opportunities. Unlike cash flow from operating activities, free cash flow includes the impact of capital expenditures, providing a more complete picture of cash generation. Free cash flow has certain limitations, including that it does not reflect adjustments for certain non-discretionary cash flows, such as allocated costs, and includes the pension and other postretirement plan remeasurement losses and gains related to Ashland sponsored benefit plans accounted for as a participation in a multi-employer plan. The amount of mandatory versus discretionary expenditures can vary significantly between periods. Valvoline's results of operations are presented based on its management structure and internal accounting practices. The structure and practices are specific to Valvoline; therefore, its financial results and free cash flow are not necessarily comparable with similar information for other comparable companies. Free cash flow has limitations as an analytical tool and should not be considered in isolation from, or as an alternative to, or more meaningful than, cash flows provided by operating activities as determined in accordance with U.S. GAAP. In evaluating free cash flow, be aware that in the future Valvoline may incur expenses similar to those for which adjustments are made in calculating free cash. Valvoline's presentation of free cash flow should not be construed as a basis to infer that its future results will be unaffected by unusual or non-recurring items. Because of these limitations, one should rely primarily on cash flows provided by operating activities as determined in accordance with U.S. GAAP and use free cash flow only as a supplement. Valvoline has historically determined same-store sales growth on a fiscal year basis, with new stores excluded from the metric until the completion of their first full fiscal year in operation.

(d) Valvoline has historically determined same-store sales growth on a fiscal year basis, with new stores excluded from the metric until the completion of their first full fiscal year in operation.
(e) Valvoline franchisees are distinct legal entities and Valvoline does not consolidate the results of operations of its franchisees.
(f) In addition to net income determined in accordance with U.S. GAAP, Valvoline evaluates operating performance using certain non-GAAP measures including EBITDA, which Valvoline defines as net income, plus income tax expense (benefit), net interest and other financing expenses, and depreciation and amortization, and Adjusted EBITDA, which Valvoline defines as EBITDA adjusted for losses (gains) on pension and other postretirement plans remeasurement, net gain (loss) on acquisitions and divestitures, impairment of equity investment, restructuring, other income and (expense) and other items. Valvoline believes the use of non-GAAP measures on a consolidated and reportable segment basis assists investors in understanding the ongoing operating performance of its business by presenting comparable financial results between periods. The non-GAAP information provided is used by management and may not be comparable to similar measures disclosed by other companies, because of differing methods used by other companies in calculating EBITDA and Adjusted EBITDA. EBITDA and Adjusted EBITDA provide a supplemental presentation of Valvoline's operating performance on a consolidated and reportable segment basis. Adjusted EBITDA generally includes adjustments for unusual, non-operational or restructuring-related activities.

The consolidated financial statements include actuarial gains and losses for defined benefit pension and other postretirement benefit plans recognized annually in the fourth quarter of each fiscal year and whenever a plan is determined to qualify for a remeasurement during a fiscal year. Actuarial gains and losses occur when actual experience differs from the estimates used to allocate the change in value of pension and other postretirement benefit plans to expense throughout the year or when assumptions change, as they may each year. Significant factors that can contribute to the recognition of actuarial gains and losses include changes in discount rates used to remeasure pension and other postretirement obligations on an annual basis or upon a qualifying remeasurement, differences between actual and expected returns on plan assets and other changes in actuarial assumptions, for example the life expectancy of plan participants. Management believes Adjusted EBITDA, which includes the expected return on pension plan assets and excludes both the actual return on pension plan assets and the impact of actuarial gains and losses, provides investors with a meaningful supplemental presentation of Valvoline's operating performance. Management believes these actuarial gains and losses are primarily financing activities that are more reflective of changes in current conditions in global financial markets (and in particular interest rates) that are not directly related to the underlying business and that do not have an immediate, corresponding impact on the compensation and benefits provided to eligible employees and retirees.

EBITDA and Adjusted EBITDA each have limitations as analytical tool and should not be considered in isolation from, or as an alternative to, or more meaningful than, net income as determined in accordance with U.S. GAAP. Because of these limitations, one should rely primarily on net income as determined in accordance with U.S. GAAP and use EBITDA and Adjusted EBITDA only as supplements. In evaluating EBITDA and Adjusted EBITDA, one should be aware that in the future Valvoline may incur expenses similar to those for which adjustments are made in calculating EBITDA and Adjusted EBITDA. Valvoline's presentation of EBITDA and Adjusted EBITDA should not be construed as a basis to infer that future results will be unaffected by unusual or non-recurring items.

The following table reconciles EBITDA and Adjusted EBITDA to net income for the periods presented.

	For the years ended September 30				
(In millions)	2016	2015	2014	2013	2012
Net income	$ 273	$ 196	$ 173	$ 246	$ 114
Income tax expense	148	101	91	135	58
Net interest and other financing expense	9	—	—	—	—
Depreciation and amortization	38	38	37	35	35
EBITDA (f)	468	335	301	416	207
(Gains) losses on pension and other postretirement plans remeasurement	(18)	46	61	(74)	68
Separation costs	6	—	—	—	—
Net loss on acquisition and divestiture	1	26	—	—	—
Impairment of equity investment	—	14	—	—	—
Restructuring	—	—	6	—	—
Adjusted EBITDA (f)	$ 457	$ 421	$ 368	$ 342	$ 275

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion should be read in conjunction with the consolidated financial statements and the accompanying Notes to Consolidated Financial Statements for the years ended September 30, 2016, 2015 and 2014. Valvoline has included within the following discussion several non-GAAP measures, on both a consolidated and reportable segment basis. These non-GAAP measures include EBITDA, Adjusted EBITDA, free cash flow, EBITDA margin, and Adjusted EBITDA margin. Management believes the use of these non-GAAP measures on a consolidated and reportable segment basis assists investors in understanding the ongoing operating performance of Valvoline's business by presenting comparable financial results between periods. For more information on these non-GAAP financial measures, including reconciliations to the most directly comparable U.S. GAAP financial measures, see "Results of Operations-Consolidated Review-Use of Non-GAAP Measures."

Valvoline's fiscal year ends on September 30 of each year. Valvoline refers to the year ended September 30, 2016 as "fiscal 2016," the year ended September 30, 2015 as "fiscal 2015," and the year ended September 30, 2014 as "fiscal 2014."

BUSINESS OVERVIEW

Valvoline is one of the most recognized and respected premium consumer brands in the global automotive lubricant industry, known for high quality products and superior levels of service. Established in 1866, Valvoline's heritage spans 150 years, during which it has developed powerful name recognition across multiple product and service channels. Valvoline has significant positions in the United States in all of the key lubricant sales channels, and also has a strong international presence with products sold in approximately 140 countries.

Sales from external customers in the United States represented 72% of total sales in 2016. Sales from external customers in the United States and all other foreign countries for fiscal years 2016, 2015 and 2014 were as follows:

	Sales from external customers		
(In millions)	2016	2015	2014
United States	$ 1,397	$ 1,413	$ 1,440
International	532	554	601
	$ 1,929	$ 1,967	$ 2,041

Sales by geography expressed as a percentage of total consolidated sales were as follows:

	For the years ended September 30		
Sales by Geography	2016	2015	2014
North America (a)	75%	74%	73%
Europe	7%	8%	8%
Asia Pacific	14%	14%	14%
Latin America & other	4%	4%	5%
	100%	100%	100%

(a)Valvoline includes only the United States and Canada in its North American designation.

In the United States and Canada, Valvoline's products are sold to consumers through over 30,000 retail outlets, to installer customers with over 12,000 locations, and through 1,068 Valvoline branded franchised and company-owned stores. Valvoline serves its customer base through an extensive sales force and technical support organization, allowing Valvoline to leverage its technology portfolio and customer relationships globally, while meeting customer demands locally. This combination of scale and strong local presence is critical to the Company's success.

Valvoline has a history of leading innovation with revolutionary products such as All Climate ™, DuraBlend ™, and MaxLife ™. In addition to the iconic Valvoline-branded passenger car motor oils and other automotive lubricant products, Valvoline provides a wide array of lubricants used in heavy duty equipment, as well as automotive chemicals and fluids designed to improve engine performance and lifespan. Valvoline's premium branded product offerings enhance its high quality reputation and provide customers with solutions that address a wide variety of needs.

Formation of the Company and Initial Public Offering

On September 22, 2015, Ashland announced that its Board of Directors approved proceeding with a plan to separate into two independent, publicly traded companies comprising of the Valvoline business and the specialty chemicals businesses. Following a series of restructuring steps prior to the IPO, the Valvoline business was transferred from Ashland to Valvoline Inc. such that the Valvoline business includes substantially all of the historical Valvoline business reported by Ashland, as well as certain other assets and liabilities transferred to Valvoline by Ashland. The largest transferred liabilities are the net pension and other postretirement plan liabilities. Other transferred assets and liabilities primarily consist of deferred compensation, certain Ashland legacy business insurance reserves, tax attributes, and certain trade payables. Additionally, any deferred tax assets and liabilities that relate specifically to these assets and liabilities have been transferred to Valvoline, as well as certain other tax liabilities and indemnities as a result of the Tax Matters Agreement entered into between Ashland and Valvoline.

Key elements of the Separation of Valvoline from Ashland's other businesses include the following:

- During July 2016, Valvoline completed its issuance of 5.500% senior unsecured notes due 2024 ("2024 Notes.") with an aggregate principal amount of

$375 million. The net proceeds of the offering of $370 million (after deducting initial purchasers' discounts) were transferred to Ashland.

- On September 19, 2016 Valvoline Inc. amended and restated its articles of incorporation and by-laws. Among other changes, the amendment and restatement increased Valvoline's authorized capital stock to 440 million shares, consisting of (1) 40 million shares of preferred stock, having no par value, and (2) 400 million shares of common stock, par value $0.01 per share.

- On September 26, 2016 Valvoline incurred $875 million in new indebtedness under a credit agreement which provides for an aggregate principal amount of $1,325 million in senior secured credit facilities, comprised of (i) a five-year $875 million term loan A facility and (ii) a five-year $450 million revolving credit facility (including a $100 million letter of credit sublimit). Valvoline fully drew on the term loan A facility, receiving approximately $865 million (after deducting fees and expenses) and borrowed $137 million under the revolving credit facility. These net proceeds were transferred to Ashland.

- On September 28, 2016 Valvoline completed the IPO and sold 34.5 million shares of common stock, including 4.5 million shares pursuant to the underwriters' option to purchase additional shares, at a price to the public of $22.00 per share. The total net proceeds, net of underwriting discounts and other expenses, received from the IPO were approximately $712 million. Valvoline used these net proceeds to repay $500 million of the outstanding amounts on the term loan facility, to repay $137 million of the outstanding amounts on the revolving credit facility and retained approximately $75 million for general corporate purposes. As of September 30, 2016, Ashland owned 170 million shares of Valvoline common stock, representing approximately 83% of the total outstanding shares of Valvoline common stock.

The contribution of the Valvoline business by Ashland to Valvoline Inc. was treated as a reorganization of entities under common Ashland control. As a result, the consolidated financial position and results of operations of Valvoline Inc. and its subsidiaries has been retrospectively presented for all periods presented.

Reportable Segments

Valvoline's reporting structure is principally composed of three reportable segments: Core North America, Quick Lubes and International. Additionally, certain corporate and other costs are included in an Unallocated and other segment.

Sales by each reportable segment expressed as a percentage of total consolidated sales were as follows:

	For the years ended September 30		
Sales by Reportable Segment	2016	2015	2014
Core North America	51%	54%	55%
Quick Lubes	24%	20%	18%
International	25%	26%	27%
	100%	100%	100%

Core North America

The Core North America business segment sells Valvoline ™ and other branded products in the United States and Canada to both consumers who perform their own automotive maintenance, referred to as "Do-It-Yourself" or "DIY" consumers, as well as to installer customers who use Valvoline's products to service vehicles owned by "Do-It-For-Me" or "DIFM" consumers. Valvoline sells to DIY consumers through over 30,000 retail outlets, such as AutoZone, Advance Auto Parts and O'Reilly Auto Parts, as well as leading mass merchandisers and independent auto parts stores. Valvoline sells to DIFM consumers through installers who collectively operate over 12,000 locations in the United States and Canada. Installer customers include car dealers, general repair shops and third-party quick lube chains. Valvoline directly serves these customers with its sales force and fulfillment capabilities, through retailers such as NAPA, and a network of approximately 140 distributors. Valvoline's key installer customers include large national accounts such as Goodyear, Monro, Express Oil Change, TBC Retail Group and Sears. The installer channel team also sells branded products and solutions to heavy duty customers such as on-highway fleets and construction companies, and Valvoline has a strategic relationship with Cummins for co-branding products in the heavy duty business.

Quick Lubes

The Quick Lubes business segment services the passenger car and light truck quick lube market through two platforms: company-owned and franchised VIOC stores, which Valvoline believes comprise the industry's best retail quick lube service chain; and Express Care, a quick lube customer platform developed for independent operators who purchase Valvoline motor oil and other products pursuant to contracts while displaying Valvoline branded signage. VIOC provides fast, trusted service through 726 franchised and 342 company-owned stores. The VIOC stores provide a broad range of preventive maintenance services, including full-service oil changes, OEM mileage-based services (transmission, radiator and gear box fluid exchange services), tire rotations, fuel system services and seasonal air conditioning coolant replacement services. VIOC company-owned stores have had ten years of consecutive same-store sales growth. Valvoline has historically determined same-store sales growth on a fiscal year basis, with new stores excluded from the metric until the completion of their first full fiscal year in operation. VIOC franchisees have also enjoyed strong results and also have achieved ten years of consecutive same-store sales growth. Valvoline also sells its products and provides Valvoline branded signage to independent quick lube operators through the Express Care program. The Express Care platform has been designed to support smaller (typically single store) operators that do not fit the franchised model and typically offer other non-quick lube services such as auto repair and car washes.

International

The International business segment sells Valvoline ™ and Valvoline's other branded products in approximately 140 countries. Valvoline's key international markets include China, India, Latin America, Australia Pacific and EMEA. Valvoline has significant overall market share in India and Australia and a growing presence in a number of markets, with primary growth targets being China, India and select countries within Latin America. The International business segment sells products for both consumer and commercial vehicles and equipment, and is served by company-owned manufacturing facilities in the United States, Australia and the Netherlands, a joint venture-owned facility in India and third-party warehouses and toll manufacturers in other regions. Valvoline's heavy duty products are used in a wide variety of heavy duty equipment, including on-road trucks and buses, agricultural equipment, construction and mining equipment, and power generation equipment. Valvoline goes to market in its International business in three ways: (1) through its local sales, marketing and back office support teams, which Valvoline refers to as "wholly owned affiliate markets"; (2) through joint ventures; and (3) through independent distributors. In the wholly owned affiliate markets, Valvoline has a direct presence and maintains the sales and marketing teams required to build effective channels. Valvoline also has 50/50 joint ventures with Cummins in India and China and smaller joint ventures in select countries in Latin America and Asia. In other countries, Valvoline goes to market via independent distributors, which provide access to these geographies with limited capital investment.

Unallocated and other segment

Unallocated and other generally includes items such as components of pension and other postretirement benefit plan expenses (excluding service costs, which are allocated to the reportable segments), certain significant company-wide restructuring activities including costs associated with the Separation from Ashland and legacy costs.

Acquisitions and Divestitures

Oil Can Henry's Acquisition

On December 11, 2015, Ashland announced that it signed a definitive agreement for Valvoline to acquire OCH International, Inc. ("Oil Can Henry's"), which was the 13 th largest quick-lube network in the United States, servicing approximately 1 million vehicles annually with 89 quick-lube stores, 47 of which were company-owned and 42 of which were franchise locations, in Oregon, Washington, California, Arizona, Idaho and Colorado. On February 1, 2016, Ashland completed the acquisition.

The acquisition of Oil Can Henry's is reported within the Quick Lubes reportable segment. The total purchase price, net of cash acquired, for the acquisition of Oil Can Henry's was $62 million. See Note 3 of Notes to Consolidated Financial Statements for additional information on this acquisition.

Car Care Products Divestiture

During 2015, Ashland entered into a definitive sale agreement to sell Valvoline's car care products within the Core North America reportable segment for $24 million, which included Car Brite™ and Eagle One™ automotive appearance products. Prior to the sale, Valvoline recognized a loss of $26 million before tax in 2015 to recognize the assets at fair value less cost to sell. The loss is reported within the net loss on acquisition and divestiture caption within the Consolidated Statements of Comprehensive Income. The transaction closed on June 30, 2015 and Valvoline received net proceeds of $19 million after adjusting for certain customary closing costs and final working capital amounts.

Venezuela Equity Method Investment Divestiture

During 2015, Valvoline sold the equity method investment in Venezuela within the International reportable segment. Prior to the sale, Valvoline recognized a $14 million impairment in 2015, for which there was no tax effect, within the equity and other income caption of the Consolidated Statements of Comprehensive Income.

Valvoline's decision to sell the equity investment and the resulting impairment charge recorded during 2015 was a result of the continued devaluation of the Venezuelan currency (bolivar) based on changes to the Venezuelan currency exchange rate mechanisms during the fiscal year. In addition, the continued lack of exchangeability between the Venezuelan bolivar and U.S. dollar had restricted the equity method investee's ability to pay dividends and obligations denominated in U.S. dollars. These exchange regulations and cash flow limitations, combined with other recent Venezuelan regulations and the impact of declining oil prices on the Venezuelan economy, had significantly restricted Valvoline's ability to conduct normal business operations through the joint venture arrangement.

CERTAIN FACTORS AFFECTING FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Pension and other postretirement plan liabilities

In connection with Valvoline's separation from Ashland, the Company assumed pension and postretirement benefit obligations and plan assets, of which a substantial portion relates to the U.S. pension and other postretirement plans. The unfunded portion of the pension and postretirement obligations at September 30, 2016 was approximately $900 million. Before the transfer, these plans were accounted for by Valvoline as multi-employer plans in accordance with U.S. GAAP, which provided that an employer that participates in a multi-employer defined benefit plan is required to recognize its expense associated with the plan and is not required to report a liability beyond the contributions currently due and unpaid by the plan. Therefore, in prior periods, no assets or liabilities relative to these retirement plans have been included in the Consolidated Balance Sheets. Amounts recognized within the Consolidated Statements of Comprehensive Income for multi-employer defined benefit pension and other postretirement plans include an allocation to Valvoline on a ratable basis of the net actuarial gains and losses on an annual basis or whenever a plan is determined to qualify for a remeasurement. As announced by Ashland in March 2016, the accrual of pension benefits for participants was frozen effective September 30, 2016. Additionally, Ashland reduced retiree life benefits effective October 1, 2016 and will reduce retiree medical and dental benefits January 1, 2017. The net effect of these plan changes resulted in a curtailment of benefits requiring a remeasurement of the benefit obligation and plan assets. During 2016, Valvoline recognized a gain of $18 million within the Consolidated Statements of Comprehensive Income as a result of the plan remeasurements. The following details the components of the remeasurement impact:

(In millions)	Loss (gain)
March 2016 remeasurement (a)(b)	$ 5
August 2016 remeasurement (a)	19
Year-end remeasurement (c)	(42)
Total 2016 remeasurement gain	$ (18)

(a) These remeasurements were allocations to Valvoline accounted for under a multi-employer accounting model.
(b) The components of the March 2016 remeasurement were a curtailment gain of $18 million and an actuarial loss of $23 million.
(c) This remeasurement is the year end remeasurement subsequent to the transfer of the plans to Valvoline. As a result of the transfer of the plans to Valvoline, these plans are now accounted for by Valvoline as single-employer plans where Valvoline records the full impact of remeasurements. This gain is the result of a $35 million gain resulting from a change in the discount rate and other actuarial assumptions and a $31 million gain resulting from a change in mortality assumptions partially offset by $24 million in actual losses on plan assets exceeding the expected return on plan assets. For additional information on key assumptions and actual plan asset performance in each year, see "Critical Accounting Policies-Employee benefit obligations-Actuarial assumptions."

Similar to Valvoline's current stand-alone defined benefit pension plans, Valvoline will recognize the change in the fair value of plan assets and net actuarial gains and losses for the pension and other postretirement plan liabilities transferred to Valvoline by Ashland annually in the fourth quarter of each fiscal year and whenever a plan is determined to qualify for a remeasurement within the Consolidated Statements of Comprehensive Income. The remaining components of pension and other postretirement benefits expense will be recorded ratably on a quarterly basis. Valvoline's policy to recognize these changes annually through mark to market accounting could result in volatility in Valvoline's results of operations, which could be material.

Pension annuity program

On September 15, 2016, Valvoline utilized pension plan assets to purchase a non-participating annuity contract from an insurer that will pay and administer future pension benefits for 14,800 participants within the qualified U.S. pension plan. Valvoline transferred approximately $378 million of the outstanding pension benefit obligation in exchange for pension trust assets whose value approximated the liability value. The annuity purchase transaction did not generate a material settlement adjustment during 2016. The insurer has unconditionally and irrevocably guaranteed the full payment of benefits to plan participants associated with the annuity purchase and benefit payments will be in the same form that was in effect under the Plan. The insurer has also assumed all investment risk associated with the pension assets that were delivered as annuity contract premiums.

RESULTS OF OPERATIONS – CONSOLIDATED REVIEW

Use of Non-GAAP Measures

Valvoline has included within this document several non-GAAP measures, on both a consolidated and reportable segment basis, which are not defined within U.S. GAAP and do not purport to be alternatives to net income or cash flows from operating activities as a measure of operating performance or cash flows. The following are the non-GAAP measures management has included and how management defines them:

- EBITDA, which management defines as net income, plus income tax expense (benefit), net interest and other financing expenses, and depreciation and amortization;
- EBITDA margin, which management defines as EBITDA divided by sales;
- Adjusted EBITDA, which management defines as EBITDA adjusted for losses (gains) on pension and other postretirement plans remeasurement, net gain (loss) on acquisitions and divestitures, impairment of equity investment, restructuring, other income and (expense) and other items (which can include costs related to the Separation from Ashland, pro forma impact of significant acquisitions or divestitures, or restructuring costs);
- Adjusted EBITDA margin, which management defines as Adjusted EBITDA, divided by sales; and
- Free cash flow, which management defines as operating cash flows less capital expenditures and certain other adjustments as applicable.

These measures are not prepared in accordance with U.S. GAAP, contain management's best estimates of cost allocations and shared resource costs. Management believes the use of non-GAAP measures on a consolidated and reportable segment basis assists investors in understanding the ongoing operating performance of Valvoline's business by presenting comparable financial results between periods. The non-GAAP information provided is used by Valvoline's management and may not be comparable to similar measures disclosed by other companies, because of differing methods used by other companies in calculating EBITDA and Adjusted EBITDA. EBITDA and Adjusted EBITDA provide a supplemental presentation of Valvoline's operating performance on a consolidated and reportable segment basis.

Adjusted EBITDA generally includes adjustments for unusual, non-operational or restructuring-related activities. Valvoline's consolidated financial statements include actuarial gains and losses for defined benefit pension and other postretirement benefit plans recognized annually in the fourth quarter of each fiscal year and whenever a plan is determined to qualify for a remeasurement during a fiscal year. Actuarial gains and losses occur when actual experience differs from the estimates used to allocate the change in value of pension and other postretirement benefit plans to expense throughout the year or when assumptions change, as they may each year. Significant factors that can contribute to the recognition of actuarial gains and losses include changes in discount rates used to remeasure pension and other postretirement obligations on an annual basis or upon a qualifying remeasurement, differences between actual and expected returns on plan assets and other changes in actuarial assumptions, for example the life expectancy of plan participants. Management believes Adjusted EBITDA, which includes the expected return on pension plan assets and excludes both the actual return on pension plan assets and the impact of actuarial gains and losses, provides investors with a meaningful supplemental presentation of Valvoline's operating performance. Management believes these actuarial gains and losses are primarily financing activities that are more reflective of changes in current conditions in global financial markets (and in particular interest

rates) that are not directly related to the underlying business and that do not have an immediate, corresponding impact on the compensation and benefits provided to eligible employees and retirees. For further information on the actuarial assumptions and plan assets referenced above, see "Management's Discussion and Analysis of Financial Condition and Results of Operation-Critical Accounting Policies-Employee benefit obligations" and Note 12 of Notes to Consolidated Financial Statements.

Management uses free cash flow as an additional non-GAAP metric of cash flow generation. By deducting capital expenditures, management is able to provide a better indication of the ongoing cash being generated that is ultimately available for both debt and equity holders as well as other investment opportunities. Unlike cash flow from operating activities, free cash flow includes the impact of capital expenditures, providing a more complete picture of cash generation. Free cash flow has certain limitations, including that it does not reflect adjustments for certain non-discretionary cash flows, such as allocated costs and mandatory debt repayments . The amount of mandatory versus discretionary expenditures can vary significantly between periods.

Valvoline's results of operations are presented based on Valvoline's management structure and internal accounting practices. The structure and practices are specific to Valvoline; therefore, Valvoline's financial results, EBITDA, Adjusted EBITDA and free cash flow are not necessarily comparable with similar information for other comparable companies. EBITDA, Adjusted EBITDA and free cash flow each have limitations as an analytical tool and should not be considered in isolation from, or as an alternative to, or more meaningful than, net income and cash flows provided from operating activities as determined in accordance with U.S. GAAP. Because of these limitations, you should rely primarily on net income and cash flows provided from operating activities as determined in accordance with U.S. GAAP and use EBITDA, Adjusted EBITDA, and free cash flow only as supplements. In evaluating EBITDA, Adjusted EBITDA, and free cash flow, you should be aware that in the future Valvoline may incur expenses similar to those for which adjustments are made in calculating EBITDA, Adjusted EBITDA, and free cash flow. Valvoline's presentation of EBITDA, Adjusted EBITDA, and free cash flow should not be construed as a basis to infer that Valvoline's future results will be unaffected by unusual or non-recurring items.

The following table reconciles EBITDA and Adjusted EBITDA to net income for the three annual periods presented.

	For the years ended September 30		
(In millions)	2016	2015	2014
Net income	$ 273	$ 196	$ 173
Income tax expense	148	101	91
Net interest and other financing expense	9	—	—
Depreciation and amortization	38	38	37
EBITDA	468	335	301
(Gains) losses on pension and other postretirement plans remeasurement	(18)	46	61
Separation costs	6	—	—
Net loss on acquisition and divestiture	1	26	—
Impairment of equity investment	—	14	—
Restructuring	—	—	6
Adjusted EBITDA (a)	$ 457	$ 421	$ 368

(a) Includes net periodic pension and other postretirement income and expense for Valvoline stand-alone plans, multi-employer plans until September 1, 2016 and single-employer plans subsequent to the transfer from Ashland. Fiscal 2016 included income of $7 million. The fiscal 2015 impact was less than $1 million and fiscal 2014 included $1 million of expense. This income and expense is comprised of service cost, interest cost, expected return on plan assets and amortization of prior service credit and is disclosed in further detail in Note 12 of Notes to Consolidated Financial Statements.

Consolidated Review

Net income

Valvoline's net income is primarily affected by results within operating income, income taxes and other significant events or transactions that are unusual or nonrecurring. Operating income includes an adjustment for the immediate recognition of the change in the fair value of the plan assets and net actuarial gains and losses for defined benefit pension plans and other postretirement benefit plans each fiscal year.

Fiscal years ended September 30, 2016, 2015 and 2014

Key financial results for 2016, 2015 and 2014 included the following:

- net income amounted to $273 million in 2016, $196 million in 2015 and $173 million in 2014;
- the effective income tax rate of 35% for 2016 and 34% for each of 2015 and 2014 are generally in line with the U.S. statutory rate; and
- operating income was $431 million, $323 million and $264 million during 2016, 2015 and 2014, respectively.

For further information on the items reported above, see the discussion in the comparative "Consolidated Statements of Comprehensive Income - Caption Review."

Operating income

Fiscal years ended September 30, 2016, 2015 and 2014

Operating income amounted to $431 million, $323 million and $264 million in 2016, 2015 and 2014, respectively. The current and prior years' operating income include certain items that are excluded to arrive at Adjusted EBITDA. These items are summarized as follows:

- income of $18 million in 2016 and expense of $46 million and $61 million in 2015 and 2014, respectively, from the pension and other postretirement plans remeasurement adjustments;
- separation costs of $6 million in 2016; and
- $14 million impairment related to the joint venture equity investment within Venezuela during 2015.

Operating income for 2016, 2015, and 2014 included depreciation and amortization of $38 million, $38 million and $37 million, respectively.

EBITDA and Adjusted EBITDA

EBITDA totaled $468 million, $335 million, and $301 million for 2016, 2015, and 2014, respectively. Adjusted EBITDA totaled $457 million, $421 million, and $368 million for 2016, 2015, and 2014, respectively. For a reconciliation of EBITDA and Adjusted EBITDA to net income, see "Results of Operations-Consolidated Review-Use of Non-GAAP Measures". The increase in Adjusted EBITDA was primarily due to an increase in Adjusted EBITDA in the Core North America and Quick Lubes reportable segments, while the International reportable segment's Adjusted EBITDA decreased from the prior year primarily due to the negative impact of foreign currency exchange. Core North America's Adjusted EBITDA increased $11 million, or 5%, compared to 2015, primarily as a result of a favorable product mix with an increase in the percentage of sales for premium lubricants and increased volumes and lower raw material costs, specifically relating to the price of base oil, which increased gross profit. Quick Lubes' Adjusted EBITDA increased $23 million, or 21%, compared to 2015. Approximately $8 million of the Adjusted EBITDA increase for Quick Lubes' was related to a recent acquisition, while the remainder of the improvement was the result of increased volumes and lower raw material costs, specifically relating to the price of base oil, which increased gross profit. Adjusted EBITDA for International decreased $5 million, or 6%, compared to 2015, primarily due to the negative impact of foreign currency exchange.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME – CAPTION REVIEW

Fiscal years ended September 30, 2016, 2015 and 2014

A comparative analysis of the Consolidated Statements of Comprehensive Income by caption is provided as follows for the years ended September 30, 2016, 2015 and 2014.

(In millions)	2016	2015	2014	2016 Change	2015 Change
Sales	$ 1,929	$ 1,967	$ 2,041	$ (38)	$ (74)

The following table provides a reconciliation of the change in sales between fiscal years 2016 and 2015 and between fiscal years 2015 and 2014.

(In millions)	2016 Change	2015 Change
Pricing	$ (94)	$ (53)
Volume	68	52
Product mix	29	11
Currency exchange	(31)	(70)
Divestiture and acquisition, net	(10)	(14)
Change in sales	$ (38)	$ (74)

2016 compared to 2015

Sales decreased $38 million, or 2%, to $1,929 million in 2016. Lower product pricing and unfavorable foreign currency exchange decreased sales by $94 million, or 5%, and $31 million, or 2%, respectively. Unfavorable foreign currency exchange was due to the U.S. dollar strengthening compared to various foreign currencies, primarily the Australian dollar, Euro and the Yuan. Higher volume levels and changes in product mix increased sales by approximately $68 million, or

3%, and approximately $29 million, respectively. During 2016, lubricant gallons sold increased 4% to 174.5 million. The divestiture of car care products within the Core North America reportable segment during fiscal 2015 decreased sales by $45 million compared to the prior year while acquisitions increased sales by $35 million during 2016.

2015 compared to 2014

Sales decreased $74 million, or 4%, to $1,967 million in 2015. Unfavorable foreign currency exchange and lower product pricing decreased sales by $70 million, or 3%, and $53 million, or 3%, respectively. Unfavorable foreign currency exchange was due to the U.S. dollar strengthening compared to various foreign currencies, primarily the Euro and Australian dollar. Higher volume levels and changes in product mix increased sales by $52 million, or 3%, and $11 million, respectively. During 2015, lubricant gallons sold increased 3% to 167.4 million. The divestiture of car care products within the Core North America reportable segment during fiscal 2015 decreased sales by $14 million compared to the prior year.

(In millions)	2016	2015	2014	2016 Change	2015 Change
Cost of sales	$ 1,168	$ 1,282	$ 1,409	$ (114)	$ (127)
Gross profit as a percent of sales	39%	35%	31%		

Fluctuations in cost of sales are driven primarily by raw material prices, volume and changes in product mix, currency exchange, losses or gains on pension and other postretirement benefit plan remeasurements, and other certain charges incurred as a result of changes or events within the businesses or restructuring activities.

The following table provides a reconciliation of the changes in cost of sales between fiscal years 2016 and 2015 and between fiscal years 2015 and 2014.

(In millions)	2016 Change	2015 Change
Product cost	$ (114)	$ (106)
Currency exchange	(23)	(52)
Volume and product mix	65	43
Divestiture and acquisition, net	(14)	(11)
Pension and other postretirement benefit plans income (including remeasurements)	(28)	(1)
Change in cost of sales	$ (114)	$ (127)

2016 compared to 2015

Cost of sales decreased $114 million during 2016 compared to 2015. Lower raw material costs decreased cost of sales by $114 million primarily due to declining base oil prices in 2016. Favorable foreign currency exchange decreased cost of sales by $23 million, while changes in volume and product mix combined to increase cost of sales by $65 million. The divestiture of car care products during fiscal 2015 decreased cost of sales by $38 million and was partially offset by increased cost of sales of $24 million as a result of the Oil Can Henry's acquisition during 2016. During 2016, cost of sales decreased compared to 2015 due to increased income of $28 million related to pension and other postretirement benefit plans. Gross profit as a percent of sales increased primarily due to lower cost of sales driven primarily by lower raw material costs during 2016 as compared to 2015.

2015 compared to 2014

Cost of sales decreased $127 million during 2015 compared to 2014 . Lower raw material costs decreased cost of sales by $106 million primarily due to declining base oil prices in 2015. Favorable foreign currency exchange decreased cost of sales by $52 million, while changes in volume and product mix combined to increase cost of sales by $43 million. The divestiture of car care products during fiscal 2015 also decreased cost of sales by $11 million. Gross profit as a percent of sales increased primarily due to lower cost of sales driven primarily by lower raw material costs and favorable foreign currency exchange during 2015 as compared to 2014.

(In millions)	2016	2015	2014	2016 Change	2015 Change
Selling, general and administrative expense	$ 270	$ 291	$ 303	$ (21)	$ (12)
As a percent of sales	14%	15%	15%		

2016 compared to 2015

Selling, general and administrative expense decreased $21 million, or 7%, during 2016 as compared to 2015. Key drivers of this decrease were:

- a decrease of $44 million related to the pension and other postretirement costs. Specifically, a gain of $11 million on the pension and other postretirement plans remeasurement and income of $11 million was recognized on the non-service components of the pension and postretirement plans for asset returns in excess of interest costs was recognized during 2016. This compared to a loss on remeasurement of $28 million and income of $6 million for non-service component income recorded in 2015. These amounts, inclusive of both Valvoline specific plans and shared plans accounted for under the multi-employer approach for the first eleven months of 2016 and transferred to Valvoline in September 2016, decreased primarily due to changes in assumptions regarding discount rates and mortality rates and the fact that Valvoline assumed the responsibility for a significant portion of new pension and postretirement plans. See Note 2 of Notes to Consolidated Financial Statements for further discussion on this accounting policy;
- a decrease in spending of $6 million due to the divestiture of car care products; and
- a decrease of $5 million due to favorable currency exchange impacts.

These decreases were partially offset by the following significant increases:

- separation costs of $6 million;

- increased labor related costs of $6 million;
- increased spend of $4 million related to Oil Can Henry's;
- increased consultant and technology cost of $4 million;
- increased advertising and sales promotion expenses of $4 million;
- increased research and development costs of $2 million; and
- increased bad debt related expense of $2 million.

2015 compared to 2014

Selling, general and administrative expense decreased $12 million, or 4%, during 2015 as compared to 2014. Key drivers of this decrease were:

- a decrease of $15 million related to the pension and other postretirement costs. Specifically, a loss of $28 million on the pension and other postretirement plans remeasurement was recognized during 2015 compared to a loss of $43 million in 2014. The loss recognized, inclusive of both Valvoline specific plans and shared plans accounted for under the multi-employer approach, decreased primarily due to changes in the discount rate. See Note 2 of Notes to Consolidated Financial Statements for further discussion on this accounting policy;
- approximately $19 million of cost savings related to restructuring programs;
- favorable foreign currency exchange of $9 million;
- increase of $9 million due to costs associated with supply chain operations that, as described below, were included within the corporate expense allocations prior to 2015;
- increased advertising expense of $5 million;
- increased legal, consultant and technology cost of $5 million; and
- increased incentive compensation expense of $4 million.

(In millions)	2016	2015	2014	2016 Change	2015 Change
Corporate expense allocation	$ 79	$ 79	$ 95	$ —	$ (16)

2016 compared to 2015

Corporate expense allocations were consistent in 2016 compared to 2015.

2015 compared to 2014

Corporate expense allocations decreased $16 million in 2015 compared to 2014 primarily due to a $9 million decrease from a change in reporting of supply chain operations. Prior to 2015, supply chain operations were previously included within corporate allocation; however, in 2015 the reporting of these costs attributable to Valvoline's operations were realigned in order to be directly reported within selling, general and administrative expense. Additional decreases were the result of cost savings as a result of restructuring programs.

(In millions)	2016	2015	2014	2016 Change	2015 Change
Equity and other income					
Equity income (loss)	$ 12	$ (2)	$ 10	$ 14	$ (12)
Other income	7	10	20	(3)	(10)
	$ 19	$ 8	$ 30	$ 11	$ (22)

2016 compared to 2015

Equity income (loss) increased by $14 million during 2016 compared to 2015, primarily due to the $14 million impairment of a joint venture equity investment within Venezuela in 2015. For additional information see Note 3 of Notes to Consolidated Financial Statements. Other income decreased by $3 million primarily due to a decrease in income due to divestitures and unfavorable currency impacts.

2015 compared to 2014

Equity income (loss) decreased by $12 million during 2015 compared to 2014, primarily due to the $14 million impairment of a joint venture equity investment within Venezuela in 2015. For additional information see Note 3 of Notes to Consolidated Financial Statements. Other income decreased by $10 million primarily due to a favorable arbitration ruling on a commercial contract in 2014. For additional information see Note 3 of Notes to Consolidated Financial Statements.

(In millions)	2016	2015	2014	2016 Change	2015 Change
Net loss on acquisition and divestiture	$ (1)	$ (26)	$ —	$ 25	$ (26)

The loss on acquisition and divestiture in 2016 represents costs to complete the Oil Can Henry acquisition while the 2015 amount represents the loss on the disposition of car care products. This loss was a result of the book value exceeding the sales price of the assets sold.

(In millions)	2016	2015	2014	2016 Change	2015 Change
Income tax expense	$ 148	$ 101	$ 91	$ 47	$ 10
Effective tax rate	35%	34%	34%		

The effective tax rates are generally in line with the U.S. statutory rate. For fiscal years 2016 through 2014, the effective tax rate was impacted favorably by the lower tax rate on foreign earnings and net favorable permanent items. These favorable items are offset by the unfavorable impact of state taxes. These adjustments net to an immaterial overall impact to the effective tax rate for each year. The increase in the 2016 tax rate is partially due to the increase in income from pension and other postretirement benefits that generated significant income amounts in higher tax rate jurisdictions.

RESULTS OF OPERATIONS – REPORTABLE SEGMENT REVIEW

Valvoline's business is managed within three reportable segments: Core North America, Quick Lubes and International. Results of Valvoline's reportable segments are presented based on its management structure and internal accounting practices. The structure and practices are specific to Valvoline; therefore, the financial results of its reportable segments are not necessarily comparable with similar information for other comparable companies. Valvoline allocates all costs to its reportable segments except for certain significant company-wide restructuring activities and other costs or adjustments that relate to former businesses that Valvoline no longer operates. The service cost component of pension and other postretirement benefits costs is allocated to each reportable segment on a ratable basis; while the remaining components of pension and other postretirement benefits costs are recorded to Unallocated and other. Valvoline refines its expense allocation methodologies to the reportable segments from time to time as internal accounting practices are improved, more refined information becomes available and the industry or market changes. Revisions to Valvoline's methodologies that are deemed insignificant are applied on a prospective basis.

The EBITDA and Adjusted EBITDA amounts presented within this section are provided as a means to enhance the understanding of financial measurements that Valvoline has internally determined to be relevant measures of comparison for each reportable segment. Each of these non-GAAP measures is defined as follows: EBITDA (operating income plus depreciation and amortization), Adjusted EBITDA (EBITDA adjusted for key items, which may include pro forma effects for significant acquisitions or divestitures, as applicable), and Adjusted EBITDA margin (Adjusted EBITDA divided by sales). Valvoline does not allocate items to each reportable segment below operating income, such as interest expense and income taxes. As a result, reportable segment EBITDA and Adjusted EBITDA are reconciled directly to operating income since it is the most directly comparable Consolidated Statements of Comprehensive Income caption.

The following table shows sales, operating income and statistical operating information by reportable segment for the years ended September 30, 2016, 2015 and 2014.

(In millions)	For the years ended September 30 2016	2015	2014
Sales			
Core North America	$ 979	$ 1,061	$ 1,114
Quick Lubes	457	394	370
International	493	512	557
	$ 1,929	$ 1,967	$ 2,041
Operating income (loss)			
Core North America	$ 212	$ 200	$ 165
Quick Lubes	117	95	79
International	74	65	78
Unallocated and other	28	(37)	(58)
	$ 431	$ 323	$ 264
Depreciation and amortization			
Core North America	$ 16	$ 17	$ 16
Quick Lubes	17	16	15
International	5	5	6
	$ 38	$ 38	$ 37
Operating information			
Core North America			
Lubricant sales gallons	101.2	99.9	99.0
Premium lubricants (percent of U.S. branded volumes)	41.4%	36.6%	33.7%
Gross profit as a percent of sales (a)	41.2%	36.6%	31.6%
Quick Lubes			
Lubricant sales gallons	20.2	17.4	15.9
Premium lubricants (percent of U.S. branded volumes)	57.1%	54.5%	52.2%
Gross profit as a percent of sales (a)	41.6%	39.8%	38.4%
International			
Lubricant sales gallons	53.1	50.1	47.7
Premium lubricants (percent of lubricant volumes)	29.0%	30.9%	30.1%
Gross profit as a percent of sales (a)	31.4%	30.2%	27.7%

(a) Gross profit is defined as sales, less cost of sales.

Core North America

2016 compared to 2015

Core North America sales decreased $82 million, or 8%, to $979 million in 2016. Lower product pricing and the disposition of car care products decreased sales by $68 million, or 6%, and $45 million, or 4%, respectively. Changes in product mix and higher volume levels increased sales by $27 million, or 3%, and $7 million, respectively. Unfavorable foreign currency exchange decreased sales by $3 million primarily due to the U.S. dollar strengthening compared to the Canadian dollar.

Gross profit increased $15 million during 2016 compared to 2015. Lower product costs, partially offset by lower product pricing, increased gross profit by $12 million, while changes in volume and product mix combined to increase gross profit by $11 million. The divestiture of car care products and unfavorable foreign currency exchange decreased gross profit by $7 million and $1 million, respectively. Gross profit as a percent of sales (or gross profit margin) during the current period increased 4.6 percentage points to 41.2%.

Selling, general and administrative expense (which, for reportable segment purposes, includes corporate expense allocation costs) increased $3 million during the current period, primarily as a result of $4 million of increased consulting and legal costs, $2 million of increased bad debt expense, $2 million of increased research and development expenses and $1 million of salaries expense. These increases were partially offset by cost savings from the divestiture of car care products of $6 million. Equity and other income remained consistent compared to the prior year.

Operating income totaled $212 million in the current period as compared to $200 million in the prior year period. EBITDA increased $11 million to $228 million in 2016. EBITDA margin increased 2.8 percentage points to 23.3% in 2016.

2015 compared to 2014

Core North America sales decreased $53 million, or 5%, to $1,061 million in 2015. Lower product pricing and the disposition of car care products decreased sales by $51 million, or 5%, and $14 million, or 1%, respectively. Higher volume levels and changes in product mix increased sales by $9 million and $8 million, respectively. Unfavorable foreign currency exchange decreased sales by $5 million due to the U.S. dollar strengthening compared to the Canadian dollar.

Gross profit increased $36 million during 2015 compared to 2014. Lower product costs, partially offset by lower product pricing, increased gross profit by $34 million. Increases in volumes and changes in product mix combined to increase gross profit by $7 million, while unfavorable foreign currency exchange decreased gross profit by $2 million. The divestiture of car care products also decreased gross profit by $3 million. Gross profit margin during 2015 increased 5.0 percentage points to 36.6%.

Selling, general and administrative expense increased approximately $1 million during 2015 as compared to 2014, primarily as a result of $5 million of increased advertising costs, $2 million of increased resource costs allocated from Ashland, a $1 million increase in salaries and benefits, and $1 million of increased incentive compensation costs. These increases were partially offset by restructuring savings related to salaries and advertising of $4 million and $4 million, respectively, and cost savings from the divestiture of car care products of $2 million. Equity and other income remained consistent compared to 2014.

Operating income totaled $200 million in 2015 as compared to $165 million in 2014. EBITDA increased $36 million to $217 million in 2015. EBITDA margin increased 4.2 percentage points to 20.5% in 2015.

EBITDA and Adjusted EBITDA reconciliation

The following EBITDA presentation is provided as a means to enhance the understanding of financial measurements that Valvoline has internally determined to be relevant measures of comparison for the results of Core North America. There were no unusual or key items that affected comparability for Adjusted EBITDA for all periods presented herein.

	For the years ended September 30		
(In millions)	2016	2015	2014
Operating income	$ 212	$ 200	$ 165
Depreciation and amortization	16	17	16
EBITDA	$ 228	$ 217	$ 181

Quick Lubes

2016 compared to 2015

Quick Lubes sales increased $63 million, or 16%, to $457 million during 2016. Volume increased sales by $34 million as lubricant sales gallons increased to 20.2 million gallons during 2016. Acquisitions increased sales by $35 million, while unfavorable product pricing decreased sales by $8 million. Changes in product mix increased sales $2 million.

Gross profit increased $33 million during 2016 compared to 2015. Increases in volumes and changes in product mix combined to increase gross profit by $13 million. Lower raw material costs, partially offset by unfavorable product pricing, increased gross profit by $9 million, while the acquisition of Oil Can Henry's increased gross profit by $11 million. Gross profit margin during the current year increased 1.8 percentage points to 41.6%.

Selling, general and administrative expense increased $11 million during 2016. The increase was primarily a result of a $4 million increase in operating costs as a result of the acquisition of Oil Can Henry's, $4 million of increased allocated resource costs from Ashland, a $1 million increase in advertising and sales promotion costs and a $1 million increase in salaries and incentive compensation costs. Equity and other income was essentially flat in 2016 compared to 2015.

Operating income totaled $117 million in 2016 as compared to $95 million in 2015. EBITDA increased $23 million to $134 million in 2016. EBITDA margin increased 1.2 percentage points in to 29.3% in 2016.

2015 compared to 2014

Quick Lubes sales increased $25 million, or 7%, to $394 million during 2015. Volume increased sales by $18 million as lubricant sales gallons increased to 17.4 million gallons during 2015. Favorable pricing and changes in product mix increased sales by $5 million and $2 million, respectively.

Gross profit increased $15 million during 2015 compared to 2014. Lower raw material costs and favorable product pricing increased gross profit by $8 million. Increases in volumes and changes in product mix combined to increase gross profit by $7 million. Gross profit margin during 2015 increased 1.4 percentage points to 39.8%.

Selling, general and administrative expense decreased by less than $1 million during 2015 as compared to 2014. The slight decrease was primarily a result of $5 million of cost savings from resource costs allocated from Valvoline's parent company. These costs were partially offset by a $2 million increase in salary and benefit costs and a $1 million increase in legal and consulting costs, as well as increased advertising costs and bad debt expense of $1 million combined. Equity and other income was slightly positive compared to the prior year due to a gain on the disposition of certain assets.

Operating income totaled $95 million in 2015 as compared to $79 million in 2014. EBITDA increased $17 million to $111 million in 2015. EBITDA margin increased 2.4 percentage points to 28.1% in 2015.

Additional Sales and Growth Information

Quick Lubes sales are influenced by the number of company-owned stores and the business performance of those stores. Through Quick Lubes, Valvoline sells products to and receive royalty fees from VIOC franchisees. As a result, Quick Lubes sales are influenced by the number of units owned by franchisees and the business performance of franchisees. The following table provides supplemental information regarding company-owned stores and franchisees that Valvoline believes is relevant to an understanding of the Quick Lubes business.

	For the years ended September 30		
	2016	2015	2014
Total store units open at end of period - Company-owned	342	279	272
Total store units open at end of period - Franchisee*	726	663	650
Total store units open at end of period - Combined*	1,068	942	922
Same-Store Sales Growth** - Company-owned	6.2%	7.5%	4.5%
Same-Store Sales Growth** - Franchisee*	8.0%	7.8%	5.5%
Same-Store Sales Growth** - Combined*	7.5%	7.7%	5.2%

* Valvoline's franchisees are distinct legal entities and Valvoline does not consolidate the results of operations of its franchisees.
** Valvoline has historically determined same-store sales growth on a fiscal year basis, with new stores excluded from the metric until the completion of their first full fiscal year in operation.

EBITDA and Adjusted EBITDA reconciliation

The following EBITDA presentation is provided as a means to enhance the understanding of financial measurements that Valvoline has internally determined to be relevant measures of comparison for the results of Quick Lubes. There were no unusual or key items that affected comparability for Adjusted EBITDA for all periods presented herein.

	For the years ended September 30		
(In millions)	2016	2015	2014
Operating income	$ 117	$ 95	$ 79
Depreciation and amortization	17	16	15
EBITDA	$ 134	$ 111	$ 94

International

2016 compared to 2015

International sales decreased $19 million, or 4%, to $493 million in 2016. Unfavorable foreign currency exchange, primarily with the Yuan and Australian dollar, decreased sales by $28 million, or 6%. Higher volume levels increased sales by $27 million, or 5%. Lower product pricing decreased sales by $18 million.

Gross profit was essentially unchanged in 2016 compared to 2015. Unfavorable foreign currency exchange decreased gross profit by $7 million, while increases in volumes and changes in product mix combined to increase gross profit by $7 million. Lower product pricing was partially offset by lower product costs resulting in minimal gross profit impact. Gross profit margin during 2016
increased 1.2 percentage points to 31.4%.

Selling, general and administrative expense increased $2 million during the current period, primarily as a result of $1 million of salaries expense, $1 million of advertising and sales promotion costs, and $1 million of cost savings from resource costs allocated from Valvoline's parent company. Equity and other income (loss) increased $11 million compared to 2015 primarily as a result of the $14 million impairment of the Venezuelan equity method investment in 2015. For additional information see Note 3 of Notes to Consolidated Financial Statements.

Operating income totaled $74 million in 2016 as compared to $65 million in the prior year. EBITDA increased $9 million in 2016 to $79 million. Adjusted EBITDA decreased $5 million and Adjusted EBITDA margin decreased 0.5 percentage points to 16.0% in the current year.

2015 compared to 2014

International sales decreased $45 million, or 8%, to $512 million during 2015. Unfavorable currency exchange decreased sales by $65 million as a result of the U.S. dollar strengthening as compared to various foreign currencies, primarily the Euro and the Australian dollar. Volume increased sales $24 million, as lubricant gallons sold increased to 50.1 million gallons during 2015, and changes in product mix increased sales by $2 million. Unfavorable product pricing decreased sales by $6 million.

Gross profit increased $1 million during 2015 compared to 2014. Unfavorable foreign currency exchange decreased gross profit by $17 million while lower raw material costs, partially offset by lower product pricing, increased gross profit by $11 million. Increases in volumes and changes in product mix combined to increase gross profit by $7 million. Gross profit margin during 2015 increased 2.5 percentage points to 30.2%.

Selling, general and administrative expense decreased $7 million, or 7%, during 2015 as compared to 2014, primarily as a result of declines from favorable foreign currency exchange of $9 million, which was partially offset by increased sales promotion costs of $1 million.

Equity and other income decreased by $21 million during 2015 compared to 2014, primarily due to the $14 million impairment of an equity method investment in Venezuela during 2015 and $8 million from a favorable arbitration ruling on a commercial contract during 2014. For additional information see Notes 3 and 13 of Notes to Consolidated Financial Statements.

Operating income totaled $65 million in 2015 as compared to $78 million in 2014. EBITDA decreased $14 million to $70 million in 2015. Adjusted EBITDA was $84 million in 2015 and 2014. Adjusted EBITDA margin increased 1.4 percentage points to 16.5% in 2015.

EBITDA and Adjusted EBITDA reconciliation

The following EBITDA and Adjusted EBITDA presentation is provided as a means to enhance the understanding of financial measurements that Valvoline has internally determined to be relevant measures of comparison for the results of International. Adjusted EBITDA results have been prepared to illustrate the ongoing effects of Valvoline's operations, which exclude certain key items. The $14 million adjustment during the year ended September 30, 2015 is related to the impairment of an equity method investment within Venezuela.

	For the years ended September 30		
(In millions)	2016	2015	2014
Operating income	$ 74	$ 65	$ 78
Depreciation and amortization	5	5	6
EBITDA	79	70	84
Impairment of equity investment	—	14	—
Adjusted EBITDA	$ 79	$ 84	$ 84

Unallocated and Other

Unallocated and other generally includes items such as components of pension and other postretirement benefit plan expenses (excluding service costs, which are allocated to the reportable segments), certain significant company-wide restructuring activities including costs associated with the Separation from Ashland and legacy costs.

The following table summarizes the key components of the Unallocated and other segment's operating income (expense) for the fiscal years ended September 30, 2016 , 2015 , and 2014 .

(In millions)	For the years ended September 30 2016	2015	2014
Gain (losses) on pension and other postretirement plan remeasurement	$ 18	$ (46)	$ (61)
Non-service pension and other postretirement net periodic income (a)	17	9	9
Separation costs	(6)	—	—
Restructuring activities	—	—	(6)
Other legacy costs	(1)	—	—
Operating income (expense)	$ 28	$ (37)	$ (58)

(a) Amounts exclude service costs of $10 million during 2016, $9 million during 2015 and $10 million during 2014, which are allocated to Valvoline's reportable segments.

Fiscal years ended September 30, 2016 , 2015 , and 2014

Unallocated and other recorded income of $28 million for 2016 compared to expense of $37 million for 2015 and $58 million for 2014. Unallocated and other includes pension and other postretirement net periodic costs and income within operations that have not been allocated to reportable segments. These costs and income are reflective of stand-alone Valvoline pension plans as well as the shared pension and other postretirement plans accounted for under a multi-employer approach.

In connection with Valvoline's separation from Ashland, the Company assumed pension and postretirement benefit obligations and plan assets, of which a substantial portion relates to the U.S. pension and other postretirement plans. Before the transfer, these plans were accounted for by Valvoline as multi-employer plans. See Note 12 of Notes to Consolidated Financial Statements as changes made to these plans will significantly impact amounts recorded by Valvoline in the future. In the historical periods presented, Valvoline received an allocation of the cost for these benefits based on Valvoline employees' relative participation in the plan. However, as the responsibility for several of Ashland's pension and postretirement plans transferred to Valvoline, the full amount of any costs or gains related to the transferred plans has been reflected within the Valvoline consolidated financial statements for the month of September and will continue going forward. These pension and other postretirement plan costs include interest cost, expected return on assets and amortization of prior service credit, which resulted in income of $17 million during 2016, $9 million during 2015, and $9 million during 2014. Unallocated and other also includes gains and losses on pension and other postretirement plan remeasurements, which resulted in a gain of $18 million in 2016, a loss of $46 million in 2015 and a loss of $61 million in 2014. Fluctuations in these amounts from year to year result primarily from changes in the discount rate but are also partially affected by differences between the expected and actual return on plan assets during each year as well as other changes in other actuarial assumptions such as changes in demographic data or mortality assumptions. The current year remeasurement gain includes the allocation of the curtailment gains and actuarial losses resulting from the March 2016 announced plan amendments of certain shared pension and other postretirement plans. These plan amendments froze the pension benefits for the majority of Ashland's U.S. pension plans as of September 30, 2016 and reduced the retiree life and medical benefits effective October 1, 2016 and January 1, 2017, respectively. The amounts recorded for pension and other postretirement plans are expected to be substantially different in 2017 and beyond.

Unallocated and other also includes $6 million of separation costs in 2016 and $1 million of other legacy costs allocated from Ashland to Valvoline in 2016. In 2014, Unallocated and other also included $6 million of severance expense related to restructuring programs.

FINANCIAL POSITION, LIQUIDITY AND CAPITAL RESOURCES

Overview

Historically, the primary source of liquidity for Valvoline's business was the cash flow provided by operations, which was transferred to Ashland to support its overall centralized cash management strategy. Transfers of cash to and from Ashland's cash management system have been reflected in Parent's net investment in the historical Consolidated Balance Sheets, Consolidated Statements of Cash Flows and Consolidated Statements of Stockholders' Equity. In connection with Valvoline's separation from Ashland, the Company received $60 million in cash from Ashland, and Valvoline currently maintains separate cash management and financing functions for operations.

At September 30, 2016, Valvoline has outstanding $375 million of 5.500% senior unsecured notes due 2024 ("2024 Notes"), with an aggregate principal amount of $375 million, which were issued in July 2016. The net proceeds of the offering of $370 million (after deducting initial purchasers' discounts) were transferred to Ashland.

On September 26, 2016, Valvoline incurred $875 million in new indebtedness under the 2016 Credit Agreement. The 2016 Senior Credit Agreement provided for an aggregate principal amount of $1,325 million in senior secured credit facilities, comprised of (i) a five-year $875 million term loan and (ii) a five-year $450 million revolving credit facility (including a $100 million letter of credit sublimit). Valvoline fully drew on the Term Loans, receiving approximately $865 million (after deducting fees and expenses) and borrowed $137 million under the Revolver. These net proceeds were transferred to Ashland. A portion of these borrowings were repaid in connection with the Valvoline IPO as further discussed below.

In connection with these financing transactions, Valvoline deferred $17 million in debt issuance costs, of which $4 million of amortization was accelerated and recognized in net interest and other financing expense in the Consolidated Statements of Comprehensive Income as a result of the repayment on the senior secured term loan facility. The remaining balance of debt issuance costs is amortized over the term of the respective arrangements using the effective interest method. Refer to Note 9 of Notes to Consolidated Financial Statements for additional details regarding the Company's financing activities.

In connection with Valvoline's separation from Ashland, the Company assumed pension and postretirement benefit obligations and plan assets, of which a substantial portion relates to the U.S. pension and other postretirement plans. The unfunded portion of the pension and postretirement obligations at September 30, 2016 was approximately $900 million. As announced by Ashland in March 2016, these pension plans are frozen to new participants and, effective September 2016, the accrual of pension benefits for participants were frozen. Certain other postretirement benefits were also eliminated or curtailed.

No U.S. qualified pension plan contributions were required in 2016; however, approximately $6 million in contributions to the U.S. non-qualified pension plans and non-U.S. pension plans were made during the year. Ashland paid approximately $4 million prior to the IPO, which were accounted for through Parent's net investment in Valvoline, and Valvoline paid the remaining $2 million in September 2016. During 2017, Valvoline expects to contribute approximately $15 million to its pension plans.

As of September 30, 2016, the Company was in compliance with all covenants. Valvoline believes that cash flows expected to be generated from operations and other available financial resources such as cash on hand and debt capacity will be adequate to meet investing and financing requirements. The Company's ability to generate positive cash flows from operations is dependent on general economic conditions, competitive pressures, and other business and risk factors described elsewhere in this Annual Report. Valvoline's future capital requirements will depend on many factors, including its rate of sales growth, the expansion of its sales and marketing activities, its expansion into other markets and its results of operations. To the extent that existing cash, cash from operations and credit facilities are insufficient to fund its future activities, Valvoline may need to seek additional financing alternatives.

Financial position

Valvoline had $172 million in cash and cash equivalents as of September 30, 2016, of which $78 million was held by foreign subsidiaries. Valvoline currently has no plans to repatriate any amounts for which additional U.S. taxes would need to be accrued.

Operating activities

The cash generated during each period is primarily driven by net income results, adjusted for certain non-cash items such as depreciation and amortization and remeasurement adjustments to the pension and other postretirement plans, as well as changes in working capital, which are fluctuations within accounts receivable, inventory, trade and other payables, and accrued expenses and other liabilities. Valvoline continues to emphasize working capital management as a high priority and focus.

The following table sets forth the cash flows associated with Valvoline's operating activities:

(In millions)	For the years ended September 30 2016	2015	2014
Cash flows from operating activities			
Net income	$ 273	$ 196	$ 173
Adjustments to reconcile net income to cash flows from operating activities			
Depreciation and amortization	38	38	37
Debt issuance cost amortization	4	—	—
Deferred income taxes	13	(9)	(16)
Equity income from affiliates	(12)	(12)	(10)
Distributions from equity affiliates	16	18	7
Net loss on acquisition and divestiture	1	26	—
Impairment of equity method investment	—	14	—
Pension contribution	(2)	—	—
(Gain) loss on Valvoline pension and other postretirement plan remeasurements	(42)	2	1
Change in assets and liabilities (a)			
Accounts receivable	(17)	53	(31)
Inventories	(4)	(6)	8
Trade and other payables	(49)	(7)	(8)
Accrued expenses and other liabilities	54	9	(11)
Other assets and liabilities	38	8	20
Total cash flows provided by operating activities	$ 311	$ 330	$ 170

(a) Excludes changes resulting from operations acquired or sold.

Cash provided by operating activities decreased by $19 million in 2016. The decrease in cash flows provided by operating activities was primarily related to a number of factors related to the Separation and IPO, net of increased net income. These factors related to the Separation and IPO resulted in increased receivables, net of increased accrued expenses and other liabilities, and increased deferred income tax expense. The changes in working capital were primarily related to separation and financing activities in the fourth fiscal quarter of 2016 which increased payables and accrued expenses offset by increased receivables as customer payments on Valvoline receivables were collected by Ashland prior to year-end but were not remitted to Valvoline before September 30, 2016.

Cash provided by operating activities increased $160 million from 2014 to 2015. This was primarily attributed to increased net income and working capital performance with inflows of $41 million related to receivables from the sale of certain customer receivables to a financial institution in 2015, as well as noncash adjustments for the net losses associated with the disposition of car care products and equity investment activity.

Investing activities

The following table sets forth the cash flows associated with Valvoline's investing activities:

(In millions)	For the years ended September 30 2016	2015	2014
Cash flows from investing activities			
Additions to property, plant and equipment	$ (66)	$ (45)	$ (37)
Proceeds from disposal of property, plant and equipment	1	1	1
Purchase of operations - net of cash acquired	(83)	(5)	(2)
Proceeds from sale of operations	—	23	—
Total cash flows used by investing activities	$ (148)	$ (26)	$ (38)

Cash used by investing activities was $148 million in 2016 compared to $26 million in 2015 and $38 million for 2014 . The purchase of operations of $83 million during the current period relates primarily to the acquisition of Oil Can Henry's as well as other nominal

Quick Lubes locations, while the prior year periods included $5 million and $2 million in 2015 and 2014, respectively, for nominal Quick Lube acquisitions. Fiscal 2016 included cash outflows of $66 million for capital expenditures primarily related to the Company's investments in preparation for full separation from Ashland to operate as a stand-alone company in fiscal 2017. This compares to capital expenditures of $45 million and $37 million in 2015 and 2014, respectively.

Financing activities

The following table sets forth the cash flows associated with Valvoline's financing activities:

	For the years ended September 30		
(In millions)	2016	2015	2014
Cash flows from financing activities			
Net transfers to Parent	$ (1,504)	$ (304)	$ (132)
Cash contributions from Parent	60	—	—
Proceeds from initial public offering, net offering costs of $40	719	—	—
Proceeds from borrowings, net of issuance costs of $15	1,372	—	—
Repayment on borrowings	(637)	—	—
Total cash flows provided by (used in) financing activities	$ 10	$ (304)	$ (132)

As Ashland managed Valvoline's cash and financing arrangements prior to the IPO, all excess cash generated through earnings were remitted to Ashland and all sources of cash were funded by Ashland. See Note 1 of Notes to Consolidated Financial Statements for additional information.

Cash flows from financing activities was an inflow of $10 million for 2016 , and an outflow of $304 million and $132 million in 2015 and 2014 , respectively. Cash flows provided by financing activities in 2016 were related to the various financing activities previously described that Valvoline executed in the fiscal fourth quarter in order to establish borrowings and initial capitalization, net of remittances to Ashland for net cash transfers primarily from borrowing proceeds and net income through the date of IPO. Cash provided by operations, which increased for the reasons discussed previously, and proceeds from the disposition of car care products drove the $172 million increase in cash transferred to Ashland during 2015 compared to 2014.

Free cash flow and other liquidity information

The following table sets forth free cash flow for the disclosed periods and reconciles free cash flow to cash flows provided by operating activities. Free cash flow has certain limitations, including that it does not reflect adjustments for certain non-discretionary cash flows, such as allocated costs, and includes the pension and other postretirement plan remeasurement losses or gains related to Ashland sponsored benefit plans accounted for as a participation in a multi-employer plan prior to their September 1, 2016 transfer to Valvoline. See "Results of Operations—Consolidated Review—Non-GAAP Performance Metrics" for additional information.

	For the years ended September 30		
(In millions)	2016	2015	2014
Cash flows provided by operating activities	$ 311	$ 330	$ 170
Less:			
Additions to property, plant and equipment	(66)	(45)	(37)
Free cash flows	$ 245	$ 285	$ 133

At September 30, 2016 , working capital (current assets minus current liabilities, excluding long-term debt due within one year) amounted to $349 million, compared to $178 million at the end of 2015 . Working capital is affected by Valvoline's use of the last-in, first-out ("LIFO") method of inventory valuation that valued inventories below their replacement costs by $29 million at September 30, 2016 and $31 million at September 30, 2015. Liquid assets, (cash, cash equivalents, and accounts receivable) amounted to 134% of current liabilities at September 30, 2016 and 112% at September 30, 2015.

Stockholder dividends

On November 15, 2016, the Company's Board of Directors approved a quarterly cash dividend of $0.049 per share of common stock. The dividend is payable December 20, 2016 to shareholders on record on December 5, 2016.

Debt

As previously noted, Valvoline executed a number of transactions during the fourth fiscal quarter of 2016 in order to establish its stand-alone borrowings and capital structure. Refer to Note 9 of Notes to Consolidated Financial Statements for further details regarding these arrangements.

Capital expenditures

Capital expenditures were $66 million for the year ended September 30, 2016 . The annual average capital expenditure during the last three years was $49 million. Capital expenditures by reportable segment for the last three fiscal years are set forth in the table below:

	For the years ended September 30		
(In millions)	2016	2015	2014
Core North America	$ 41	$ 20	$ 15
Quick Lubes	20	19	16
International	5	6	6
	$ 66	$ 45	$ 37

Contractual obligations and other commitments

The following table sets forth Valvoline's obligations and commitments to make future payments under existing contracts at September 30, 2016. Excluded from the table are contractual obligations for which the ultimate settlement of quantities or prices are not fixed and determinable or capital lease obligations.

(In millions)	Total	Less than 1 Year	1-3 years	3-5 years	More than 5 years
Contractual obligations					
Long-term debt	$ 752	$ 19	$ 56	$ 301	$ 376
Interest payments (a)	212	33	63	58	58
Operating lease obligations	155	22	37	27	69
Employee benefit obligations (b)	164	26	39	31	68
Unrecognized tax benefits (c)	8	—	—	—	8
Total contractual obligations	$ 1,291	$ 100	$ 195	$ 417	$ 579

(a) Includes interest expense on both variable and fixed rate debt assuming no prepayments. Variable interest rates have been assumed to remain constant through the end of the term at the rates that existed as of September 30, 2016.

(b) Includes estimated funding of Valvoline specific pension plans for 2017, as well as projected benefit payments through 2026 under Valvoline's unfunded pension plans. Excludes the benefit payments from the pension plan trust funds. See Note 12 of Notes to Consolidated Financial Statements.

(c) Due to uncertainties in the timing of the effective settlement of tax positions with respect to taxing authorities, Valvoline is unable to determine the timing of payments related to noncurrent unrecognized tax benefits, including interest and penalties. Therefore, these amounts were included in the "More than 5 years" column.

Tax-related commitments

Valvoline will generally be included in Ashland income tax returns until full separation and Stock Distribution ("Interim Period"). Under the Tax Matters Agreement, Ashland will generally make all necessary tax payments to the relevant tax authorities with respect to Ashland returns, and Valvoline will make tax sharing payments to Ashland. The amount of the tax sharing payments will generally be determined as if Valvoline and each of its relevant subsidiaries included in the Ashland returns filed their own separate tax returns for the Interim Period.

For taxable periods that begin on or after the day after the date of the Stock Distribution, Valvoline will no longer be included in any Ashland income tax returns and will file returns that include only Valvoline and/or its subsidiaries, as appropriate. Valvoline will not be required to make tax sharing payments to Ashland for those taxable periods. Nevertheless, Valvoline has (and will continue to have following the Stock Distribution) joint and several liability with Ashland to the IRS for the consolidated U.S. federal income taxes of the Ashland consolidated group for the taxable periods in which Valvoline was part of the Ashland consolidated group.

Pursuant to the terms of the Tax Matters Agreement, Valvoline will indemnify Ashland for certain U.S. federal, state or local taxes for any tax period prior to full separation and Stock Distribution that arise on audit or examination and are directly attributable to neither the Valvoline business nor the Chemicals businesses. Any payment obligations that may arise as a result of Valvoline assuming liability for such taxes could negatively affect Valvoline's financial position and cash flows.

OFF-BALANCE SHEET ARRANGEMENTS

As part of Valvoline's normal course of business, it is a party to various financial guarantees and other commitments. These arrangements involve elements of performance and credit risk that are not included in the Consolidated Balance Sheets. The possibility that Valvoline would have to make actual cash expenditures in connection with these obligations is largely dependent on the performance of the party whose obligations Valvoline guarantees, or the occurrence of future events that Valvoline is unable to predict. Valvoline has reserved the approximate fair value of these guarantees in accordance with U.S. GAAP.

NEW ACCOUNTING PRONOUNCEMENTS

For a discussion and analysis of recently issued accounting pronouncements and its impact on Valvoline, see Note 2 of Notes to Consolidated Financial Statements.

CRITICAL ACCOUNTING POLICIES

The preparation of Valvoline's consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, sales and expenses, and the disclosures of contingent assets and liabilities. Significant items that are subject to such estimates and assumptions include, but are not limited to, long-lived assets (including goodwill), sales deductions, employee benefit obligations and income taxes. Although management bases its estimates on historical experience and various other assumptions that are believed to be reasonable under the circumstances, actual results could differ significantly from the estimates under different assumptions or conditions.

Long-lived Assets

Tangible assets

The cost of property, plant and equipment is depreciated by the straight-line method over the estimated useful lives of the assets. Buildings are depreciated principally over 5 to 35 years and machinery and equipment principally over 5 to 15 years. Property, plant and equipment asset groups are evaluated for impairment whenever events or changes in circumstances indicate the carrying amount of an asset may not be recoverable. Examples of events or changes in circumstances could include, but are not limited to, a prolonged economic downturn, current period operating or cash flow losses combined with a history of losses or a forecast of continuing losses associated with the use of an asset group, or a current expectation that an asset group will be sold or disposed of before the end of its previously estimated useful life. Recoverability is based upon projections of anticipated future undiscounted cash flows associated with the use and eventual disposal of the property, plant and equipment asset groups, as well as specific appraisals in certain instances.

These evaluations occur at the lowest level for which identifiable cash flows are largely independent of cash flows associated with other property, plant and equipment asset groups. If the future undiscounted cash flows result in a value that is less than the carrying value, then the long-lived asset is considered impaired and a loss is recognized based on the amount by which the carrying amount exceeds the estimated fair value. Various factors are used in determining the impact of these assessments, which include the expected useful lives of long-lived assets and the ability to realize any undiscounted cash flows in excess of the carrying amounts of such asset groups, and are affected primarily by changes in the expected use of the assets, changes in technology or development of alternative assets, changes in economic conditions, changes in operating performance and changes in expected future cash flows. Because judgment is involved in determining the fair value of property, plant and equipment asset groups, there is risk that the carrying value of these assets may require adjustment in future periods.

Goodwill

Valvoline evaluates goodwill for impairment annually or when events and circumstances indicate an impairment may have occurred. This annual assessment is performed as of July 1 and consists of determining each reporting unit's current fair value compared to its current carrying value. Valvoline's reporting units are Core North America ($89 million in goodwill as of September 30, 2016), Quick Lubes ($135 million in goodwill as of September 30, 2016), and International ($40 million in goodwill as of September 30, 2016) reportable segments.

In reviewing goodwill for impairment, Valvoline has the option to first perform a qualitative assessment to determine whether the existence of events or circumstances leads to a determination that it is more likely than not that the fair value of a reporting unit is less than its carrying amount. If Valvoline determines that it is not more likely than not that the fair value of a reporting unit is less than its carrying amount, Valvoline is not required to perform any additional tests in assessing goodwill for impairment. However, if Valvoline

concludes otherwise or elects not to perform the qualitative assessment, then Valvoline is required to perform the first step of a two-step impairment review process.

Valvoline performed the quantitative assessment for each reporting unit during the applicable fiscal year periods and upon completion of this assessment noted no impairment for any fiscal year periods within the financial statements. During the fiscal 2016 annual impairment analysis, all of Valvoline's reporting units' fair value exceeded the book value by greater than 300%.

Valvoline's assessment of an impairment charge on goodwill could change in future periods if any or all of the following events were to occur with respect to a particular reporting unit: a significant change in projected business results, a divestiture decision, significant changes to certain discounted cash flow assumptions, economic deterioration that is more severe or of a longer duration than anticipated, or other significant economic events.

Sales Deductions

Valvoline recognizes revenue in accordance with Staff Accounting Bulletin ("SAB") No. 101, Revenue Recognition in Financial Statements, as amended by SAB No. 104, Revenue Recognition, when persuasive evidence of an arrangement exists, products are received or services are provided to customers, the sales price is fixed or determinable and collectability is reasonably assured. Provisions are made at the time of revenue recognition for sales rebates and discounts consisting primarily of promotion rebates and customer pricing discounts. These provisions are recorded as a reduction of revenue based on contract terms and the Company's historical experience with similar programs and require management's judgment with respect to estimating customer participation and performance levels. Differences between estimated expense and actual incentive costs are normally insignificant and are recognized in earnings in the period such differences are determined. The cost of these programs is recognized as incurred and recorded as a reduction of sales and totaled $388 million, $345 million and $322 million in the Consolidated Statements of Comprehensive Income for September 30, 2016 , 2015 and 2014 , respectively.

Employee benefit obligations

Plan transfers and accounting

During September 2016, prior to the Valvoline IPO, Ashland transferred a substantial portion of qualified and non-qualified U.S. pension plans as well as certain other postretirement benefit and non-U.S. pension plans to Valvoline. As of September 30, 2016, Valvoline's net unfunded pension and other postretirement plan liabilities totaled approximately $900 million.

Prior to the Valvoline IPO and the transfer of certain pension and other postretirement liabilities to Valvoline, the Company accounted for its participation in the Ashland sponsored defined benefit pension and other postretirement plans as a participation in a multi-employer plan within the consolidated financial statements. Under this method of accounting, Valvoline recognized its allocated portion of net periodic benefit costs but did not report a liability beyond the contributions due and unpaid to the plans. Amounts recognized in the Consolidated Statements of Comprehensive Income for multi-employer defined benefit and other postretirement benefit plans include an allocation to Valvoline on a ratable basis of the net actuarial gains and losses on an annual basis or whenever a plan was determined to qualify for remeasurement. As a result of the transfer of pension and other postretirement liabilities from Ashland to Valvoline, Valvoline assumed full responsibility as plan sponsor for these plans. From the point of transfer, Valvoline accounts for the plans as single-employer plans, recognizing net liabilities and the full amount of any costs or gains, including the net actuarial gains and losses recognized upon remeasurement.

Pension plans

Valvoline sponsors contributory and noncontributory qualified defined benefit pension plans that cover certain employees in the United States and in a number of other countries. In addition, Valvoline has non-qualified unfunded pension plans which provide supplemental defined benefits to those employees whose benefits under the qualified pension plans are limited by the Employee Retirement Income Security Act of 1974 and the Internal Revenue Code. Valvoline funds the costs of the non-qualified plans as the benefits are paid. Pension obligations for applicable employees of non-U.S. consolidated subsidiaries are provided for in accordance with local practices and regulations of the respective countries. For further information, see Note 12 of Notes to Consolidated Financial Statements.

Other postretirement benefit plans

Valvoline sponsors health care and life insurance plans for eligible employees in the U.S. and Canada who retire or are disabled. Valvoline's retiree life insurance plans are noncontributory, while Valvoline shares the costs of providing health care coverage with its retired employees through premiums, deductibles and coinsurance provisions. Valvoline funds its share of the costs of the postretirement benefit plans as the benefits are paid. For further information, see Note 12 of Notes to Consolidated Financial Statements.

Pension and other postretirement benefits costs methodology

Valvoline recognizes the change in the fair value of plan assets and net actuarial gains and losses annually in the fourth quarter of each fiscal year and whenever a plan is determined to qualify for a remeasurement. The remaining components of pension and other postretirement benefits expense are recorded ratably on a quarterly basis. Pension and other postretirement benefits adjustments charged directly to cost of sales that are applicable to inactive participants are excluded from inventoriable costs. The service cost component of pension and other postretirement benefits costs is allocated to each reportable segment on a ratable basis; while the remaining components of pension and other postretirement benefits costs are recorded to Unallocated and other.

Total pension and other postretirement net periodic benefit costs included in the Consolidated Statements of Comprehensive Income, including both allocations from Ashland under multi-employer plan accounting and single employer plans, were as follows for the years ended September 30:

(In millions)	2016	2015	2014
Service costs	$ 10	$ 9	$ 10
Non-service pension and other postretirement net periodic income (a)	(17)	(9)	(9)
(Gains) losses on pension and other postretirement plans remeasurement (b)	(18)	46	61
Subtotal	(35)	37	52
Total pension and other postretirement net periodic benefit (income) costs	$ (25)	$ 46	$ 62

(a) This non-service pension and other postretirement net periodic income includes the expected return on plan assets and amortization of prior service credit, net of interest costs.
(b) These gains and losses represent amounts recorded under both single employer plan accounting and allocations from Ashland under multi-employer plan accounting. Amounts recorded under single employer plan accounting were gains of $42 million in 2016, losses of $2 million in 2015, and losses of $1 million in 2014. The $42 million gain in 2016 was the result of a $35 million gain resulting from a change in the discount rate and other actuarial assumptions and a $31 million gain resulting from a change in mortality assumptions partially offset by $24 million in actual losses on plan assets exceeding the expected return on plan assets. All other amounts recorded were allocations from Ashland under multi-employer plan accounting and included losses of $24 million in 2016, $44 million in 2015 and $60 million in 2014. For additional information on key assumptions and actual plan asset performance in each year, see “Actuarial assumptions” below.

Actuarial assumptions

Valvoline’s pension and other postretirement obligations and annual expense calculations are based on a number of key assumptions including the discount rate at which obligations can be effectively settled, the anticipated rate of compensation increase, the expected long-term rate of return on plan assets and certain employee-related factors, such as turnover, retirement age and mortality. Because Valvoline’s retiree health care plans contain various caps that limit Valvoline’s contributions and because medical inflation is expected to continue at a rate in excess of these caps, the health care cost trend rate has no significant impact on Valvoline’s postretirement health care benefit costs.

Valvoline developed the discount rate used to determine the present value of its obligations under the U.S. pension and postretirement health and life plans by matching the stream of benefit payments from the plans to spot rates determined from an actuarial-developed yield curve, the above mean yield curve, based on high-quality corporate bonds. Valvoline uses this approach to reflect the specific cash flows of these plans when determining the discount rate. Non-U.S. pension plans followed a similar process based on financial markets in those countries where Valvoline provides a defined benefit pension plan.

During 2016, Ashland changed the method used to estimate the service and interest cost components of net periodic benefit cost for pension and other postretirement benefits. This change compared to the previous method resulted in a decrease in the service and interest cost components for pension and other postretirement benefit costs during 2016. Historically, Ashland estimated these service and interest cost components utilizing a single weighted-average discount rate derived from the yield curve used to measure the benefit obligation at the beginning of the period. Ashland has elected to utilize a full yield curve approach in the estimation of these components by applying the specific spot rates along the yield curve used in the determination of the benefit obligation to the relevant projected cash flows. Ashland has made this change to provide a more precise measurement of service and interest costs by improving the correlation between projected benefit cash flows to the corresponding spot yield curve rates. This change does not affect the measurement of Ashland’s total benefit obligations or annual net periodic benefit costs as the change in the service and interest costs will be offset in the actuarial gain or loss reported, which typically occurs during the fourth fiscal quarter. Ashland has accounted for this change as a change in accounting estimate that is inseparable from a change in accounting principle and accordingly has accounted for it prospectively. Valvoline will continue these elections and accounting treatment for the transferred plans.

Valvoline’s 2016 expense, excluding actuarial gains and losses, for both U.S. and non-U.S. pension plans is determined using the discount rate as of the beginning of the fiscal year. The service cost and interest cost discount rates for 2016 expense were 4.10% and 3.23%, respectively. For 2015 and 2014 Valvoline’s expense, excluding actuarial gains and losses, for non-U.S. stand-alone pension

plans was determined using the weighted-average discount rate as of the beginning of the fiscal year, which were 4.08%, and 4.61%, respectively. The 2016 discount rates used for the postretirement health and life plans service cost and interest cost were 4.25% and 2.92%, respectively. Valvoline did not have any stand-alone other postretirement benefit plans in 2015 and 2014. The actuarial gains and losses recognized within the Consolidated Statements of Comprehensive Income are calculated using updated actuarial assumptions (including discount rates) as of the measurement date, which for Valvoline is the end of the fiscal year, unless a plan qualifies for a remeasurement during the year. The weighted-average discount rate at the end of fiscal 2016 was 3.54% for the pension plans and 2.92% for the postretirement health and life plans.

The weighted-average rate of compensation increase assumptions were 3.23% for 2016, 3.15% for 2015 and 3.52% for 2014. The compensation increase assumptions for the U.S. plans were 3.00% for 2016. Valvoline will not have a compensation increase assumption for U.S. pension plans for fiscal year 2017 due to the freezing of the plans at September 30, 2016.

During 2015, Ashland updated the mortality assumption based on information issued by the Society of Actuaries in October 2015 for the transferred U.S. pension and other postretirement health and life plans. Valvoline believes the updated mortality table assumption provides a more accurate assessment of current mortality trends and is a reasonable estimate of future mortality projections. Valvoline's mortality assumption in 2016 included consideration of updated mortality information consistent with the data issued by the Society of Actuaries in October 2016.

The weighted-average long-term expected rate of return on assets was assumed to be 6.77% for 2016, 5.34% for 2015 and 5.97% for 2014. The long-term expected rate of return on assets for the U.S. plans was assumed to be 7.10% for 2016. For 2016, the global pension plan assets generated an actual weighted-average return of 10.52%, primarily driven by the U.S. plan assets. The long-term expected rate of return on assets for the U.S. plans will be 6.60% for 2017. However, the expected return on plan assets is designed to be a long-term assumption, and actual returns will be subject to considerable year-to-year variances.

The following table discloses the estimated increases in pension and postretirement expense that would have resulted from a one percentage point change in each of the assumptions for 2016.

(In millions)		2016
Increase in pension costs from		
Decrease in the discount rate	$	352
Increase in the salary adjustment rate		1
Decrease in expected return on plan assets		23
Increase in other postretirement costs from		
Decrease in the discount rate	$	5

U.S. pension legislation and future funding requirements

Valvoline's U.S. qualified pension plans funding requirements through fiscal 2017 are calculated in accordance with the regulations set forth in the Moving Ahead for Progress in the 21st Century Act (MAP-21), which provides temporary relief for employers who sponsor defined benefit pension plans related to funding contributions under the Employee Retirement Income Security Act of 1974. Specifically, MAP-21 allows for the use of a 25-year average interest rate within an upper and lower range for purposes of determining minimum funding obligations instead of an average interest rate for the two most recent years, as was previously required.

Valvoline expects to contribute approximately $12 million to its non-qualified U.S. pension plans and $3 million to its non-U.S. pension plans during 2017.

Income Taxes

Valvoline is subject to income taxes in the United States and numerous foreign jurisdictions. Judgment in forecasting the taxable income using historical and projected future operating results is required in determining Valvoline's provision for income taxes and the related assets and liabilities. The provision for income taxes includes current income taxes as well as deferred income taxes. Under U.S. GAAP, deferred tax assets and liabilities are determined based on differences between financial reporting and tax basis of assets and liabilities and are measured using enacted tax rates and laws that are expected to be in effect when the deferred assets or liabilities are expected to be settled or realized. The effect of changes in tax rates on deferred taxes is recognized in the period in which the enactment date changes. Valuation allowances are established when necessary on a jurisdictional basis to reduce deferred tax assets to the amounts expected to be realized.

For the periods prior to the Stock Distribution, Valvoline's operating results will be included in Ashland's consolidated U.S. and state income tax returns and in tax returns of certain Ashland international subsidiaries. The income tax provision in these Consolidated Statements of Comprehensive Income has been calculated on a separate return basis as if Valvoline was operating on a stand-alone

basis and filed separate tax returns in the jurisdictions in which it operates. Accordingly, Valvoline's tax results as presented are not necessarily reflective of the results that Valvoline would have generated on a stand-alone basis.

Valvoline's Consolidated Balance Sheets reflect assumptions regarding the expected manner of separation of the Company that would result in Ashland retaining certain tax items in a number of jurisdictions. As a result, the tax items that Ashland would retain in these jurisdictions have not been included in the Valvoline Consolidated Balance Sheets. The income tax expense of these items has been reflected in the Consolidated Statements of Comprehensive Income, with a corresponding offset to Parent Company Investment in Stockholders' Equity.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Foreign Exchange Risk

Valvoline is exposed primarily to market risks associated with foreign currency exchange rates. Valvoline's foreign currency risk is primarily limited to the Euro, Australian Dollar, Canadian Dollar and Chinese Yuan. Prior to the IPO, Valvoline participated in Ashland's centralized foreign currency derivatives program which mitigated risk associated with the foreign currency exposures. Valvoline began its own foreign currency derivative program in late September 2016, and these derivative instruments entered into by Valvoline had an immaterial impact on the consolidated financial statements. Valvoline believes its foreign currency risk is limited as 72% of Valvoline's revenue during the year ended September 30, 2016 and 71% of Valvoline's revenue in each of the years ended September 30, 2015 and 2014 was based in U.S. dollars. Valvoline does not have material exposures to market risk with respect to investments.

Inflation and Changing Prices

Valvoline's financial statements are prepared on the historical cost method of accounting in accordance with U.S. GAAP and, as a result, do not reflect changes in the purchasing power of the U.S. dollar. Monetary assets (such as cash, cash equivalents and accounts receivable) lose purchasing power as a result of inflation, while monetary liabilities (such as accounts payable and indebtedness) result in a gain, because they can be settled with dollars of diminished purchasing power. As of September 30, 2016, Valvoline's monetary assets exceed its monetary liabilities, leaving it currently more exposed to the effects of future inflation. However, given the recent consistent stability of inflation in the United States in the past several years as well as forward economic outlooks, current inflationary pressures seem moderate.

Certain of the industries in which Valvoline operates are capital-intensive, and replacement costs for Valvoline's plant and equipment generally would substantially exceed their historical costs. Accordingly, depreciation and amortization expense would be greater if it were based on current replacement costs. However, because replacement facilities would reflect technological improvements and changes in business strategies, such facilities would be expected to be more productive than existing facilities, mitigating at least part of the increased expense.

Valvoline uses the LIFO method to value a portion of its inventories to provide a better matching of revenues with current costs. However, LIFO values such inventories below their replacement costs during inflationary periods.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

The consolidated financial statements of Valvoline presented in this annual report on Form 10-K are listed in the index on page F-1.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

ITEM 9A. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

Valvoline's Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO"), with the assistance of management, evaluated the effectiveness of the Company's disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended), as of the end of the period covered by this Annual Report on Form 10-K (the "Evaluation Date"),

and based upon such evaluation, have concluded that as of the Evaluation Date, the Company's disclosure controls and procedures were effective.

Changes in Internal Control

Valvoline historically relied on certain financial, administrative and other resources of Ashland to operate its business, including resources from treasury, tax, accounting, legal, internal audit, human resources, public and investor relations, general management, real estate, and information technology ("IT"). In connection with the Separation, the Company generally mirrored the internal control over financial reporting that Ashland established, including the IT infrastructure. During the fourth quarter of fiscal 2016, the Company has transitioned employees and resources from Ashland to form its own financial, administrative, IT and other support systems, with continued oversight within Ashland's control framework. While most of these transitions were completed prior to September 30, 2016, Valvoline will continuously monitor the effectiveness of its internal control processes, procedures, and controls, and will make refinements as management determines appropriate as full separation occurs.

Other than those changes related to the transition outlined above, there have been no changes to Valvoline's internal control over financial reporting during the quarter ended September 30, 2016 that have materially affected, or are reasonably likely to materially affect, Valvoline's internal control over financial reporting.

Management's Report on Internal Control over Financial Reporting

The Annual Report on Form 10-K does not include a report of management's assessment regarding internal control over financial reporting or an attestation report of Valvoline's independent registered public accounting firm due to a transition period provided by SEC rules for newly public companies.

ITEM 9B. OTHER INFORMATION

None.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

There is hereby incorporated by reference the information to appear under the caption "Proposal One - Election of Directors for a One-Year Term" in Valvoline's Proxy Statement, which will be filed with the SEC within 120 days after September 30, 2016. See also the list of Valvoline's executive officers and related information under "Executive Officers of Valvoline" in Part I - Item X in this annual report on Form 10-K.

There is hereby incorporated by reference the information to appear under the caption "Corporate Governance - Governance Principles" in Valvoline's Proxy Statement.

There is hereby incorporated by reference the information to appear under the caption "Corporate Governance - Shareholder Nominations of Directors" in Valvoline's Proxy Statement.

There is hereby incorporated by reference the information to appear under the caption "Audit Committee Report" regarding Valvoline's audit committee and audit committee financial experts, as defined under Item 407(d)(4) and (5) of Regulation S-K in Valvoline's Proxy Statement.

There is hereby incorporated by reference the information to appear under the caption "Corporate Governance - Section 16(a) Beneficial Ownership Reporting Compliance" in Valvoline's Proxy Statement.

ITEM 11. EXECUTIVE COMPENSATION

There is hereby incorporated by reference the information to appear under the captions "Compensation of Directors," "Corporate Governance - Personnel and Compensation Committee Interlocks and Insider Participation," "Executive Compensation," "Compensation Discussion and Analysis," and "Personnel and Compensation Committee Report on Executive Compensation" in Valvoline's Proxy Statement.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

There is hereby incorporated by reference the information to appear under the captions “Valvoline Common Stock Ownership of Certain Beneficial Owners,” Valvoline Common Stock Ownership of Directors and Executive Officers of Valvoline” and “Equity Compensation Plan Information” in Valvoline’s Proxy Statement.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

There is hereby incorporated by reference the information to appear under the captions “Corporate Governance – Director Independence and Certain Relationships,” “Corporate Governance - Related Person Transaction Policy,” and “Audit Committee Report” in Valvoline’s Proxy Statement.

ITEM 14. PRINCIPAL ACCOUNTING FEES AND SERVICES

There is hereby incorporated by reference the information with respect to principal accounting fees and services to appear under the captions “Audit Committee Report” and “Proposal Two - Ratification of Independent Registered Public Accountants” in Valvoline’s Proxy Statement.

PART IV

ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

(a) Documents filed as part of this Report

(1) Financial Statements; and

(2) See Item 15(b) in this annual report on Form 10-K

The consolidated financial statements of Valvoline presented in this annual report on Form 10-K are listed in the index on page F-1.

Schedules other than those listed above have been omitted because they are not required or because the requisite information is shown in Valvoline’s consolidated financial statements or the notes thereto. Separate financial statements of unconsolidated affiliates are omitted because none of these companies constitute significant subsidiaries using the 20% tests when considered individually. Summarized financial information for all unconsolidated affiliates is disclosed in Note 4 of Notes to Consolidated Financial Statements.

(b) Documents required by Item 601 of Regulation S-K

3.1	-	Amended and Restated Articles of Incorporation of Valvoline Inc. (incorporated by reference to Exhibit 3.1 to Valvoline’s Registration Statement on Form S-1 (File No. 333-211720) filed on September 19, 2016).
3.2*	-	Amended and Restated By-laws of Valvoline Inc.
4.1	-	Specimen Stock Certificate (incorporated by reference to Exhibit 4.1 to Valvoline’s Registration Statement on Form S-1 (File No. 333-211720) filed on September 12, 2016).
4.2	-	Indenture dated as of July 20, 2016, among Valvoline Inc. (as successor to Valvoline Finco Two LLC), Ashland Inc. and U.S. Bank National Association, as trustee (incorporated by reference to Exhibit 10.10 to Valvoline’s Registration Statement on Form S-1 (File No. 333-211720) filed on September 12, 2016).
4.3*	-	First Supplemental Indenture dated as of September 26, 2016, among Valvoline Inc., the Guarantors and U.S. Bank National Association, to the Indenture dated as of July 20, 2016 among Valvoline Finco Two LLC, Ashland Inc. and U.S. Bank National Association, as trustee.
4.4*	-	Registration Rights Agreement dated September 26, 2016, among Valvoline Inc., the Guarantors and Citigroup Global Markets Inc., as representative of the several Initial Purchasers, in respect of the 5.500% Senior Notes due 2024.
4.5	-	Valvoline Inc. 2016 Deferred Compensation Plan for Non-Employee Directors (incorporated by reference to Exhibit 4.5 to Valvoline’s Registration Statement on Form S-8 (Filed No. 333-213898) filed on September 30, 2016).

The following Exhibits 10.1 through 10.9 are contracts or compensatory plans or arrangements or management contracts required to be filed as exhibits pursuant to Items 601(b)(10)(ii)(A) and 601(b)(10)(iii)(A) and (B) of Regulations S-K.

10.1*	-	Valvoline Inc. 2016 Deferred Compensation Plan for Employees.
10.2*	-	2016 Valvoline Inc. Incentive Plan.
10.3*	-	Form of (Outside Directors) Restricted Stock Award Agreement under the 2016 Valvoline Inc. Incentive Plan.
10.4*	-	Valvoline Inc. 2016 Non-Qualified Defined Contribution Plan.
10.5*	-	Letter Agreement between Valvoline and David J. Scheve dated October 10, 2016.
10.6*	-	Valvoline Inc. 2016 Deferred Compensation Plan for Non-Employee Directors.
10.7*	-	Amendment to Ashland Inc. Nonqualified Excess Benefit Pension Plan.
10.8*	-	Amendment to the Amended and Restated Ashland Inc. Supplemental Early Retirement Plan for Certain Employees.
10.9*	-	Amendment to Ashland Inc. Nonqualified Excess Benefit Pension Plan.
10.10	-	Credit Agreement dated as of July 11, 2016, among Valvoline Finco One LLC, as Initial Borrower, The Bank of Nova Scotia, as Administrative Agent, Swing Line Lender and an L/C Issuer, Citibank, N.A., as Syndication Agent, and the Lenders from time to time party thereto (incorporated by reference to Exhibit 10.9 to Valvoline's Registration Statement on Form S-1 (File No. 333-211720) filed on September 12, 2016).
10.11*	-	Amendment No. 1 dated as of September 21, 2016, to Credit Agreement dated as of July 11, 2016, among Valvoline Finco One LLC, as Initial Borrower, The Bank of Nova Scotia, as Administrative Agent; Swing Line Lender and an L/C Issuer, Citibank, N.A., as Syndication Agent, and the Lenders from time to time party thereto.
10.12	-	Transfer and Administration Agreement dated November 29, 2016, among LEX Capital LLC, Valvoline LLC, and each other entity from time to time party hereto as an Originator, as Originators, PNC Bank, National Association, as the Agent, a Letter of Credit Issuer, a Managing Agent and a Committed Investor, The Bank of Tokyo-Mitsubishi UFJ, Ltd., New York Branch, as a Managing Agent, an Administrator and a Committed Investor, Gotham Funding Corporation, as a Conduit Investor and a Uncommitted Investor, PNC Capital Markets, LLC, as Structuring Agent and the various investor groups, managing agents, letter of credit issuers and Administrators from time to time parties thereto (incorporated by reference to Exhibit 10.1 to Valvoline's Form 8-K (File No. 001-37884) filed on December 2, 2016).
10.13	-	Sale agreement, dated as of November 29, 2016, between Valvoline LLC and LEX Capital LLC (incorporated by reference to Exhibit 10.2 to Valvoline Form 8-K (Filed No. 001-37884) filed on December 2, 2016).
10.14	-	Parting Undertaking, dated as of November 29, 2016, by Valvoline Inc. in favor of PNC Bank National Association and the Secured Parties. (incorporated by reference to Exhibit 10.3 to Valvoline's Form 8-K (Filed No. 001-37884) filed on December 2, 2016.
10.15*	-	Separation Agreement dated as of September 22, 2016, by and between Ashland Global Holdings Inc. and Valvoline Inc.
10.16*	-	Transition Service Agreement dated as of September 22, 2016, by and between Ashland Global Holdings Inc. and Valvoline Inc.
10.17*	-	Reverse Transition Service Agreement dated as of September 22, 2016, by and between Valvoline Inc. and Ashland Global Holdings Inc.
10.18*	-	Tax Matters Agreement dated as of September 22, 2016, by and between Ashland Global Holdings Inc. and Valvoline Inc.
10.19*	-	Employee Matter Agreement dated as of September 22, 2016, by and between Ashland Global Holdings Inc. and Valvoline Inc.
10.20**	-	Supplier Terms & Conditions Agreement between Valvoline and Genuine Parts Company (NAPA oil), effective as of January 1, 2016 (incorporated by reference to Exhibit 10.7 to Valvoline's Registration Statement on Form S-1 (File No. 333-211720) filed on August 23, 2016).

10.21**	-	Supplier Terms & Conditions Agreement between Valvoline and Genuine Parts Company (Valvoline Oil), effective as of January 1, 2016 (incorporated by reference to Exhibit 10.8 to Valvoline's Registration Statement on Form S-1 (File No. 333-211720) filed on September 12, 2016).
10.22*	-	Registration Rights Agreement dated as of September 22, 2016, between and among Ashland Global Holdings Inc. and Valvoline Inc.
21*	-	List of Subsidiaries.
23.1*	-	Consent of Ernst & Young LLP.
23.2*	-	Consent of PricewaterhouseCoopers LLP.
24*	-	Power of Attorney.
31.1*	-	Certification of Samuel J. Mitchell, Jr., Chief Executive Officer of Valvoline, pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2*	-	Certification of Mary E. Meixelsperger, Chief Financial Officer of Valvoline, pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32*	-	Certification of Samuel J. Mitchell, Jr., Chief Executive Officer of Valvoline, and Mary E. Meixelsperger, Chief Financial Officer of Valvoline, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

* Filed herewith.
** Confidential treatment previously granted for certain portions which are omitted in the copy of the exhibit electronically filed with the SEC. The omitted information has been filed separately with the SEC pursuant to Valvoline's application for confidential treatment.

SM Service mark, Valvoline or its subsidiaries, registered in various countries.

™ Trademark, Valvoline or its subsidiaries, registered in various countries.

† Trademark owned by a third party.

Upon written or oral request, a copy of the above exhibits will be furnished at cost.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

VALVOLINE INC.
(Registrant)
By:
/s/ Mary E. Meixelsperger
Mary E. Meixelsperger
Chief Financial Officer
Date: December 19, 2016

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant, in the capacities indicated, on December 19, 2016.

Signatures	**Capacity**
/s/ Samuel J. Mitchell, Jr. Samuel J. Mitchell, Jr.	Chief Executive Officer and Director (Principal Executive Officer)
/s/ Mary E. Meixelsperger Mary E. Meixelsperger	Chief Financial Officer (Principal Financial Officer)
/s/ David J. Scheve David J. Scheve	Controller (Principal Accounting Officer)
* William A. Wulfsohn	Non-Executive Chairman and Director
* Richard J. Freeland	Director
* Stephen F. Kirk	Director
* Stephen E. Macadam	Director
* Vada O. Manager	Director
* Charles M. Sonsteby	Director
* Mary J. Twinem	Director

*By: /s/ Julie M. O'Daniel
Julie M. O'Daniel
Attorney-in-Fact

Date: December 19, 2016

FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholders of
Valvoline Inc. and Consolidated Subsidiaries

We have audited the accompanying consolidated balance sheets of Valvoline Inc. and Consolidated Subsidiaries (the "Company") as of September 30, 2016 and 2015, and the related consolidated statements of comprehensive income, stockholders' equity and cash flows for each of the two years in the period ended September 30, 2016. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Valvoline Inc. and Consolidated Subsidiaries as of September 30, 2016 and 2015, and the consolidated results of its operations and its cash flows for each of the two years in the period ended September 30, 2016 in conformity with U.S. generally accepted accounting principles.

/s/ Ernst & Young LLP

Cincinnati, Ohio
December 19, 2016

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholders of
Valvoline Inc. and Consolidated Subsidiaries:

In our opinion, the consolidated statements of comprehensive income, of stockholders' equity and of cash flows for the year ended September 30, 2014 present fairly, in all material respects, the results of operations and cash flows of Valvoline Inc. and its consolidated subsidiaries for the year ended September 30, 2014, in conformity with accounting principles generally accepted in the United States of America. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit of these statements in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

/s/ PricewaterhouseCoopers LLP
Cincinnati, OH
May 31, 2016, except for the effects of the reorganization of entities under common control discussed in Note 1 to the consolidated financial statements, as to which the date is December 19, 2016

Valvoline Inc. and Consolidated Subsidiaries

Consolidated Statements of Comprehensive Income

(In millions except per share amounts)	Years ended September 30 2016	2015	2014
Sales	$ 1,929	$ 1,967	$ 2,041
Cost of sales	1,168	1,282	1,409
Gross profit	761	685	632
Selling, general and administrative expense	270	291	303
Corporate expense allocation	79	79	95
Equity and other income	19	8	30
Operating income	431	323	264
Net interest and other financing expense	9	—	—
Net loss on acquisition and divestiture	(1)	(26)	—
Income before income taxes	421	297	264
Income tax expense	148	101	91
Net income	$ 273	$ 196	$ 173
PER SHARE DATA			
Net income per common share			
Basic	$ 1.33	$ 0.96	$ 0.84
Diluted	$ 1.33	$ 0.96	$ 0.84
Weighted average common shares outstanding			
Basic	205	205	205
Diluted	205	205	205
COMPREHENSIVE INCOME (LOSS)			
Net income	$ 273	$ 196	$ 173
Other comprehensive income (loss), net of tax			
Unrealized translation gain (loss)	8	(34)	(12)
Pension and postretirement obligation adjustment	(1)	—	—
Other comprehensive income (loss)	7	(34)	(12)
Comprehensive income	$ 280	$ 162	$ 161

See Notes to Consolidated Financial Statements.

Valvoline Inc. and Consolidated Subsidiaries

Consolidated Balance Sheets

(In millions except per share amounts)	At September 30 2016	2015
Assets		
Current assets		
Cash and cash equivalents	$ 172	$ —
Accounts receivable, net of allowance of $5 in 2016 and $4 in 2015	363	335
Inventories	139	125
Other assets	56	17
Total current assets	730	477
Noncurrent assets		
Property, plant and equipment		
Cost	727	628
Accumulated depreciation	403	374
Net property, plant and equipment	324	254
Goodwill and intangibles	267	171
Equity method investments	26	29
Deferred income taxes	389	8
Other assets	89	39
Total noncurrent assets	1,095	501
Total assets	$ 1,825	$ 978
Liabilities and Stockholders' Equity		
Current liabilities		
Current portion of long-term debt	$ 19	$ —
Trade and other payables	177	174
Accrued expenses and other liabilities	204	125
Total current liabilities	400	299
Noncurrent liabilities		
Long-term debt	724	—
Employee benefit obligations	886	13
Deferred income taxes	2	24
Other liabilities	143	25
Total noncurrent liabilities	1,755	62
Commitments and contingencies		
Stockholders' (deficit) equity		
Preferred stock, no par value, 40 shares authorized; no shares issued and outstanding	—	—
Common stock, par value $0.01 per share, 400 shares authorized 205 shares issued and outstanding at 2016; no shares issued and outstanding at 2015	2	—
Paid-in capital	710	—
Parent company investment	(1,039)	678
Accumulated other comprehensive loss	(3)	(61)
Total stockholders ' (deficit) equity	(330)	617
Total liabilities and stockholders' (deficit) equity	$ 1,825	$ 978

See Notes to Consolidated Financial Statements.

Valvoline Inc. and Consolidated Subsidiaries

Consolidated Statements of Stockholders' Equity

(In millions)	Common Stock Shares	Common Stock Amount	Paid-In Capital	Accumulated Other Comprehensive (Loss) Income	Parent Company Investment	Total
Balance at September 30, 2013	—	$ —	$ —	$ (15)	$ 699	$ 684
Net income	—	—	—	—	173	173
Currency translation adjustments	—	—	—	(12)	—	(12)
Net transfers to Parent	—	—	—	—	(121)	(121)
Balance at September 30, 2014	—	—	—	(27)	751	724
Net income	—	—	—	—	196	196
Currency translation adjustments, net of tax of ($1)	—	—	—	(34)	—	(34)
Net transfers to Parent	—	—	—	—	(269)	(269)
Balance at September 30, 2015	—	—	—	(61)	678	617
Net income	—	—	—	—	273	273
Net transfers to Parent	—	—	—	—	(1,500)	(1,500)
Contribution of net liabilities from Parent	—	—	—	51	(490)	(439)
Issuance of common stock to Parent and in connection with initial public offering, net of offering costs	205	2	710	—	—	712
Currency translation adjustments, net of tax of $2	—	—	—	8	—	8
Amortization of pension and postretirement prior service credits in income	—	—	—	(1)	—	(1)
Balance at September 30, 2016	205	$ 2	$ 710	$ (3)	$ (1,039)	$ (330)

See Notes to Consolidated Financial Statements.

Valvoline Inc. and Consolidated Subsidiaries

Consolidated Statements of Cash Flows	Years ended September 30		
(In millions)	2016	2015	2014
Cash flows from operating activities			
Net income	$ 273	$ 196	$ 173
Adjustments to reconcile to cash flows from operations			
Depreciation and amortization	38	38	37
Debt issuance cost amortization	4	—	—
Deferred income taxes	13	(9)	(16)
Equity income from affiliates	(12)	(12)	(10)
Distributions from affiliates	16	18	7
Net loss on acquisition and divestiture	1	26	—
Impairment of equity investment	—	14	—
Pension contributions	(2)	—	—
(Gain) loss on Valvoline pension plan and other postretirement plan remeasurements	(42)	2	1
Change in assets and liabilities (a)			
Accounts receivable	(17)	53	(31)
Inventories	(4)	(6)	8
Trade and other payables	(49)	(7)	(8)
Accrued expenses and other liabilities	54	9	(11)
Other assets and liabilities	38	8	20
Total cash provided by operating activities	311	330	170
Cash flows from investing activities			
Additions to property, plant and equipment	(66)	(45)	(37)
Proceeds from disposal of property, plant and equipment	1	1	1
Purchase of operations, net of cash acquired	(83)	(5)	(2)
Proceeds from sale of operations	—	23	—
Total cash used by investing activities	(148)	(26)	(38)
Cash flows from financing activities			
Net transfers to Parent	(1,504)	(304)	(132)
Cash contributions from Parent	60	—	—
Proceeds from initial public offering, net of offering costs of $40	719	—	—
Proceeds from borrowings, net of issuance costs of $15	1,372	—	—
Repayments on borrowings	(637)	—	—
Total cash provided by (used in) financing activities	10	(304)	(132)
Effect of currency exchange rate changes on cash and cash equivalents	(1)	—	—
Increase in cash and cash equivalents	172	—	—
Cash and cash equivalents - beginning of year	—	—	—
Cash and cash equivalents - end of year	$ 172	$ —	$ —
Supplemental disclosures			
Interest paid	$ —	$ —	$ —
Income taxes paid	17	—	—

(a) Excludes changes resulting from operations acquired or sold.

See Notes to Consolidated Financial Statements.

NOTE 1 – DESCRIPTION OF BUSINESS AND BASIS OF PRESENTATION

Business

Valvoline Inc. ("Valvoline" or the "Company") is a leading worldwide producer and distributor of premium-branded automotive, commercial and industrial lubricants and automotive chemicals. Valvoline also operates a retail quick lube service chain through Valvoline Instant Oil Change ("VIOC"), which provides service through 1,068 franchised and company-owned stores. Valvoline was incorporated in May 2016 and at September 30, 2016 is a subsidiary of Ashland Global Holdings Inc. (which together with its predecessors and consolidated subsidiaries is referred to as "Ashland" or "Parent").

Formation of the Company and Initial Public Offering

On September 22, 2015, Ashland announced that its Board of Directors approved proceeding with a plan to separate Ashland into two independent, publicly traded companies comprising of the Valvoline business and the specialty chemicals businesses (the "Separation"). Following a series of restructuring steps, prior to the initial public offering ("IPO") of Valvoline common stock, the Valvoline business was transferred from Ashland to Valvoline Inc. such that the Valvoline business includes substantially all of the historical Valvoline business reported by Ashland, as well as certain other assets and liabilities transferred to Valvoline by Ashland. The largest transferred liabilities are the net pension and other postretirement plan liabilities. Other transferred assets and liabilities primarily consist of deferred compensation, certain Ashland legacy business insurance reserves, tax attributes, and certain trade payables. Additionally, any deferred tax assets and liabilities that relate specifically to these assets and liabilities have been transferred to Valvoline, as well as certain other tax liabilities and indemnities as a result of the Tax Matters Agreement entered into between Ashland and Valvoline. The contribution of the Valvoline business by Ashland to Valvoline Inc. was treated as a reorganization of entities under common Ashland control. As a result, Valvoline is retrospectively presenting the consolidated financial position and results of operations of Valvoline Inc. and its subsidiaries for all periods presented.

Key elements of the Separation of Valvoline from Ashland's other businesses include the following:

- During July 2016, Valvoline completed its issuance of 5.500% senior unsecured notes due 2024 with an aggregate principal amount of $375 million. The net proceeds of the offering of $370 million (after deducting initial purchasers' discounts) were transferred to Ashland. See Note 9 of Notes to Consolidated Financial Statements.

- On September 19, 2016 Valvoline Inc. amended and restated its articles of incorporation and by-laws. Among other changes, the amendment and restatement increased Valvoline's authorized capital stock to 440 million shares, consisting of (1) 40 million shares of preferred stock, having no par value, and (2) 400 million shares of common stock, par value $0.01 per share.

- On September 26, 2016 Valvoline incurred $875 million in new indebtedness under a credit agreement that provides for an aggregate principal amount of $1,325 million in senior secured credit facilities, comprised of (i) a five-year $875 million term loan A facility and (ii) a five-year $450 million revolving credit facility (including a $100 million letter of credit sublimit). Valvoline fully drew on the term loan A facility, receiving approximately $865 million (after deducting fees and expenses) and borrowed $137 million under the revolving credit facility. These proceeds were transferred to Ashland. See Note 9 of Notes to Consolidated Financial Statements.

- On September 28, 2016 Valvoline completed the IPO and sold 34.5 million shares of common stock, including 4.5 million shares pursuant to the underwriters' option to purchase additional shares, at a price to the public of $22.00 per share. The total net proceeds, net of underwriting discounts and other expenses, received from the IPO were approximately $712 million. Valvoline used these net proceeds to repay $500 million of the outstanding amounts on the term loan facility, to repay $137 million of the outstanding amounts on the revolving credit facility, and retained approximately $75 million for general corporate purposes. As of September 30, 2016, Ashland owned 170 million shares of Valvoline common stock, representing approximately 83% of the total outstanding shares of Valvoline common stock.

Ashland presently intends to distribute the remaining shares of Valvoline common stock to Ashland's stockholders following the release of second fiscal quarter of 2017 financial results by both Ashland and Valvoline (the "Stock Distribution"). Immediately following the Stock Distribution, Ashland shareholders will own shares of both Ashland and Valvoline. The Stock Distribution is expected to be tax-free for Ashland shareholders. The Stock Distribution is subject to final Ashland board approval as well as the satisfaction or waiver by Ashland of a number of conditions. Ashland may determine not to complete the Separation if, at any time, the

Board of Directors of Ashland determines, in its sole and absolute discretion, that the Stock Distribution is not in the best interest of Ashland or its stockholders or is otherwise not advisable.

During 2016, Valvoline recognized separation costs of $6 million, which are primarily related to transaction and legal fees. Separation costs are recorded within the selling, general and administrative expense caption of the Consolidated Statements of Comprehensive Income.

Basis of presentation

The accompanying consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP") and U.S. Securities and Exchange Commission regulations. The financial statements are presented on a consolidated basis for all periods presented and include the accounts of the Company and its majority-owned subsidiaries. All intercompany transactions and balances within Valvoline have been eliminated in consolidation. Additionally, certain prior period data has been reclassified in the consolidated financial statements and accompanying notes to conform to the current period presentation, which includes the adoption of new accounting guidance during the current year related to the classification as noncurrent of all deferred tax assets and liabilities in the Consolidated Balance Sheets.

The financial statements for periods presented prior to IPO were prepared as if Valvoline had operated on a stand-alone basis and include the historical results of operations, financial position and cash flows of the Valvoline unincorporated commercial unit derived from the consolidated financial statements and accounting records of Ashland. For periods prior to the IPO, the financial statements include the recognition of certain assets and liabilities that were recorded at the Ashland

corporate level but which were specifically identifiable or otherwise attributable to Valvoline. For periods following the IPO, Valvoline was transferred various assets and liabilities from Ashland at carry-over (historical cost) basis as noted above.

All transactions and balances between Valvoline and Ashland have been reported in the consolidated financial statements. For periods prior to the IPO, these transactions were considered to be effectively settled for cash at the time the transactions were recorded. These transactions and net cash transfers to and from Ashland's centralized cash management system are reflected as a component of Parent company investment on the Consolidated Balance Sheets and as a financing activity within the accompanying Consolidated Statements of Cash Flows. In the Consolidated Statements of Stockholders' Equity, the Parent Company Investment represents the cumulative net investment by Ashland in Valvoline through IPO, including net income and net cash transfers to and from Ashland. Valvoline retained earnings from IPO through September 30, 2016 were not material and accordingly, were not separately presented in the Consolidated Balance Sheets or Consolidated Statements of Stockholders' Equity.

Prior to the completion of the IPO, Valvoline utilized centralized functions of Ashland to support its operations, and in return, Ashland allocated certain of its expenses to Valvoline. Such expenses represent costs related, but not limited to, treasury, legal, accounting, insurance, information technology, payroll administration, human resources, stock incentive plans and other services. These costs, together with an allocation of Ashland overhead costs, are included within the corporate expense allocation caption in the Consolidated Statements of Comprehensive Income. Where it was possible to specifically attribute such expenses to activities of Valvoline, these amounts have been charged or credited directly to Valvoline without allocation or apportionment. Allocation of all other such expenses is based on a reasonable reflection of the utilization of service provided or benefits received by Valvoline during the periods presented on a consistent basis, such as headcount, square footage, tangible assets or sales. However, the allocations of these shared expenses may not represent the amounts that would have been incurred had Valvoline operated autonomously or independently from Ashland. Actual costs that would have been incurred if Valvoline had been a stand-alone company would depend on multiple factors, including organizational structure and strategic decisions in various areas, including information technology and infrastructure. Upon completion of the IPO, Valvoline assumed responsibility for the costs of these functions.

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES

Valvoline's significant accounting policies, which conform to U.S. GAAP and are applied on a consistent basis in all years presented, except as indicated, are described below.

Use of estimates, risks and uncertainties

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses, and the disclosures of contingent assets and liabilities. Significant items that are subject to such estimates and assumptions include, but are not limited to, long-lived assets (including goodwill), sales deductions, employee benefit obligations and income taxes. Although management bases its estimates on historical experience and various other assumptions that are believed to be reasonable under the circumstances, actual results could differ significantly from the estimates under different assumptions or conditions.

Cash and cash equivalents

All short-term, highly liquid investments having original maturities of three months or less are considered to be cash equivalents.

The Company had $12 million of cash equivalents at September 30, 2016, which are considered level 1 fair value measurements. The carrying value of the cash equivalents approximates fair value because of the short-term maturity of those instruments.

Accounts receivable and allowance for doubtful accounts

Valvoline records an allowance for doubtful accounts as a best estimate of the amount of probable credit losses for accounts receivable. Valvoline estimates the allowance for doubtful accounts based on a variety of factors, including the length of time receivables are past due, the financial health of its customers, macroeconomic conditions, past transaction history with the customer and changes in customer payment terms. If the financial condition of its customers deteriorates or other circumstances occur that result in an impairment of customers' ability to make payments, the Company records additional allowances as needed. The Company writes off uncollectible trade accounts receivable against the allowance for doubtful accounts when collections efforts have been exhausted and/or any legal action taken by the Company has concluded.

For periods prior to the IPO and as part of the centralized cash management program with Ashland, Valvoline participated in an accounts receivable securitization facility beginning in 2012 that allowed Ashland to sell, on an ongoing basis, certain of its qualifying accounts receivable, certain related assets and the right to the collections on those accounts receivable to CVG Capital III, LLC ("CVG"), a wholly-owned special purpose subsidiary of Ashland. Valvoline's participation was a result of Ashland's centralized approach to cash management, and transfers under the facility were recorded as secured borrowings by Ashland with the receivables sold pursuant to the facility included in the Consolidated Balance Sheets as accounts receivable. In connection with the Separation, no amounts were outstanding under this facility as of September 30, 2016 as Valvoline no longer participated in the Ashland program. At September 30, 2015, the outstanding amount of accounts receivable sold by Ashland to CVG for Valvoline's participating receivables in the facility was $235 million.

During 2014, Ashland entered into an agreement to sell accounts receivable for a Valvoline customer in the form of drafts or bills of exchange to a financial institution. Each draft constitutes an order to pay for obligations of the customer to Ashland arising from the sale of goods by Ashland to the customer. As the intention of the arrangement is to decrease the amount of time accounts receivable is outstanding and increase cash flows for Ashland through its centralized cash management function. The outstanding amount of drafts sold by Ashland to the financial institution was $29 million and $41 million as of September 30, 2016 and 2015, respectively.

Inventories

Inventories are carried at the lower of cost or market value. Inventories are primarily stated at cost using the weighted-average cost method. In addition, certain lubricants with a replacement cost of $68 million at September 30, 2016 and $63 million at September 30, 2015 are valued at cost using the last-in, first-out ("LIFO") method. See Note 5 for further information.

Property, plant and equipment

The cost of property, plant and equipment is depreciated by the straight-line method over the estimated useful lives of the assets. Buildings are depreciated principally over 5 to 35 years and machinery and equipment principally over 5 to 15 years. Such costs are periodically reviewed for recoverability when impairment indicators are present and are conducted at the lowest identifiable level of cash flows. Such indicators could include, among other factors, operating losses, unused capacity, market value declines and technological obsolescence. Recorded values of asset groups of property, plant and equipment, that are not expected to be recovered through undiscounted future net cash flows, are written down to current fair value, which generally is determined from estimated discounted future net cash flows (assets held for use) or net realizable value (assets held for sale).

Goodwill and other intangible assets

Valvoline tests goodwill for impairment annually as of July 1 or when events and circumstances indicate an impairment may have occurred. This annual assessment consists of Valvoline determining each reporting unit's current fair value compared to its current carrying value. Valvoline's reporting units are Core North America, Quick Lubes, and International.

With respect to goodwill, Valvoline performs either a qualitative or quantitative evaluation for each of its reporting units. Factors considered in the qualitative test include reporting unit specific operating results as well as new events and circumstances impacting the operations of the reporting units. For the quantitative test utilized in 2016, the Company assesses goodwill for impairment by comparing the carrying value of its reporting units to their respective fair values and reviewing the Company's market value of

invested capital. The Company determines the fair value of its reporting units using a combination of income and market-based approaches and incorporates assumptions it believes marketplace participants would utilize.

Finite-lived intangible assets principally consist of certain trademarks and trade names, intellectual property, and customer lists. These intangible assets are amortized on a straight-line basis over their estimated useful lives. The cost of trademarks and trade names is amortized principally over 3 to 5 years, intellectual property over 10 years and customer relationships over 10 to 20 years. Valvoline reviews finite-lived intangible assets for impairment whenever events or changes in circumstances indicate the carrying amount of an asset may not be recoverable and any not expected to be recovered through undiscounted future net cash flows are written down to current fair value. For further information on goodwill and other intangible assets, see Note 7.

Equity method investments

Investments in joint ventures where Valvoline has the ability to exert significant influence are accounted for under the equity method of accounting. As of September 30, 2016 and 2015 Valvoline's investments in these assets were $26 million and $29 million, respectively.

Revenue recognition

Sales generally are recognized when persuasive evidence of an arrangement exists, products are received or services are provided to customers, the sales price is fixed or determinable and collectability is reasonably assured. Valvoline reports all sales net of tax assessed by qualifying governmental authorities. Certain shipping and handling costs paid by the customer are recorded in sales, while those costs paid by Valvoline are recorded in cost of sales. Franchise revenue is also included within sales and was $24 million, $22 million, and $20 million during 2016, 2015, and 2014, respectively.

Sales rebates and discounts, consisting primarily of promotional rebates and customer pricing discounts, are offered through various programs to customers. Sales are recorded net of these rebates and discounts totaling $388 million, $345 million and $322 million in the Consolidated Statements of Comprehensive Income for September 30, 2016, 2015 and 2014, respectively. Sales rebates and discounts are recognized as incurred, generally at the time of the sale, or over the term of the sales contract. Valvoline bases its estimates on historical rates of customer discounts and rebates as well as the specific identification of discounts and rebates expected to be realized.

Expense recognition

Cost of sales include material and production costs, as well as the costs of inbound and outbound freight, purchasing and receiving, inspection, warehousing, internal transfers and all other distribution network costs. Selling, general and administrative expense includes sales and marketing costs, advertising, customer support, environmental remediation, and administrative costs, other than allocated corporate charges from Ashland, which have been separately identified in the corporate overhead allocation within the Consolidated Statements of Comprehensive Income. Advertising costs ($58 million in 2016, $56 million in 2015 and $56 million in 2014) and research and development costs ($13 million in 2016 and $11 million in both 2015 and 2014) are expensed as incurred.

Income taxes

For the periods prior to full separation of Valvoline from Ashland, Valvoline's operating results will be included in Ashland's consolidated U.S. and state income tax returns and in tax returns of certain Ashland international subsidiaries. The income tax provision in these Consolidated Statements of Comprehensive Income has been calculated as if Valvoline was operating on a stand-alone basis and filed separate tax returns in the jurisdictions in which it operates.

Deferred tax assets and liabilities are determined based on differences between financial reporting and tax bases of assets and liabilities and are measured using enacted tax rates and laws that are expected to be in effect when the deferred assets or liabilities are expected to be settled or realized. Valuation allowances are established when it is more likely than not that some portion or all of the deferred income tax assets will not be realized.

Valvoline's Consolidated Balance Sheets reflect assumptions regarding the expected manner of the Stock Distribution of the Company that would result in Ashland retaining certain tax attributes in a number of jurisdictions. As a result, the tax attributes that Ashland would retain in these jurisdictions have been eliminated from the Valvoline Consolidated Balance Sheets. The income tax impact of these items has been reflected in the Consolidated Statements of Comprehensive Income, with a corresponding offset to Parent company investment. For additional information on income taxes, see Note 11.

Pension plans and other postretirement benefits

At September 30, 2016, qualifying employees participate in specific Valvoline sponsored defined-benefit pension plans, which typically provide pension payments based on an employee's length of service and compensation during the years immediately preceding retirement or have a cash balance design. The majority of U.S. pension plans have been closed to new participants since January 1, 2011 and, effective September 30, 2016, the accrual of pension benefits for participants were frozen. In addition, most foreign pension plans are closed to new participants while those that remain open relate to areas where local laws require plans to operate within the applicable country. Pension obligations for applicable employees of non-U.S. consolidated subsidiaries are provided for in accordance with local practices and regulations of the respective countries.

At September 30, 2016, certain qualifying retired or disabled employees participate in health care and life insurance plans sponsored by Valvoline, which typically provide retiree life insurance and medical care benefits. During March 2016, the other postretirement benefit plans were amended to reduce retiree life and medical benefits effective October 1, 2016 and January 1, 2017, respectively.

The funded status of Valvoline's pension and other postretirement benefit plans is recognized in the Consolidated Balance Sheets. The funded status is measured as the difference between the fair value of plan assets and the benefit obligation at September 30, the measurement date ("mark-to-market accounting"). The fair value of plan assets represents the current market value of assets held by an irrevocable trust fund for the sole benefit of participants. For defined benefit pension plans, the benefit obligation is the projected benefit obligation ("PBO") and for other postretirement benefit plans, the benefit obligation is the accumulated postretirement benefit obligation ("APBO"). The PBO represents the actuarial present value of benefits expected to be paid upon retirement based on estimated future compensation levels. The APBO represents the actuarial present value of postretirement benefits attributed to employee services already rendered. The measurement of the benefit obligation is based on estimates and actuarial valuations. These valuations reflect the terms of the plans and use participant-specific information such as compensation, age and years of service, as well as certain key assumptions that require significant judgment, including, but not limited to, estimates of discount rates, expected return on plan assets, rate of compensation increases, interest rates and mortality rates.

Valvoline recognizes the change in the fair value of plan assets and net actuarial gains and losses annually in the fourth quarter of each fiscal year and whenever a plan is determined to qualify for a remeasurement. The remaining components of pension and other postretirement benefits expense are recorded ratably on a quarterly basis. Pension and other postretirement benefits adjustments charged directly to cost of sales that are applicable to inactive participants are excluded from inventoriable costs. The service cost component of pension and other postretirement benefits costs is allocated to each reportable segment on a ratable basis; while the remaining components of pension and other postretirement benefits costs are recorded to Unallocated and other. For purposes of the stand-alone financial statements of Valvoline, Valvoline's portion of these costs has been reflected in the Consolidated Statements of Comprehensive Income within cost of sales or selling, general and administrative expenses.

Valvoline Stand-alone Defined Benefit Pension Plans

Valvoline has certain defined benefit pension plans that are specifically designated only for Valvoline employees throughout all periods presented within these consolidated financial statements. The net funded status of these Valvoline defined benefit pension plans is recognized in the Consolidated Balance Sheets.

Valvoline Participation in former Ashland Sponsored Plans

As part of the initial separation from Ashland, a significant portion of Ashland's net unfunded pension and other postretirement plan liabilities, of which a substantial portion related to U.S. qualified and non-qualified pension plans, was transferred to Valvoline.

Prior to the transfer of certain pension and other postretirement liabilities to Valvoline, the Company accounted for its participation in the Ashland sponsored defined benefit pension and other postretirement plans as a participation in a multi-employer plan within the consolidated financial statements. Under this method of accounting, Valvoline recognized its allocated portion of net periodic benefit cost but did not report a liability beyond the contributions due and unpaid to the plans. Therefore, no assets or liabilities relative to these benefit plans have been included in the Consolidated Balance Sheet at September 30, 2015. Amounts recognized in the Consolidated Statements of Comprehensive Income for multi-employer defined benefit and other postretirement benefit plans include an allocation to Valvoline on a ratable basis of the net actuarial gains and losses on an annual basis or whenever a plan was determined to qualify for remeasurement.

As a result of the transfer of pension and other postretirement liabilities from Ashland to Valvoline, Valvoline assumed full responsibility as plan sponsor for these plans. From the point of transfer, Valvoline accounts for the plans as single-employer plans under mark-to-market accounting, recognizing the full amount of any costs or gains, including the net actuarial gains and losses recognized upon remeasurement. The net funded status of these plans is recognized in the Consolidated Balance Sheets once the net obligations were transferred to Valvoline by Ashland.

For further information regarding plan assumptions and the current financial position of the pension and other postretirement plans, see Note 12.

Commitments and Contingencies

Liabilities for loss contingencies arising from claims, assessments, litigation, fines, penalties and other sources are recorded when it is probable that a liability has been incurred and the amount of the assessment and/or remediation can be reasonably estimated.

Valvoline partially insures its workers' compensation claims and other general business insurance needs. Prior to the IPO, Ashland charged Valvoline for the applicable portion of costs. As part of the Separation, Valvoline was transferred certain active and legacy Ashland insurance reserves. Valvoline records accrued liabilities related to these costs based upon specific claims filed and loss development factors, which contemplate a number of factors including claims history and expected trends. These loss development factors are developed in consultation with external actuaries.

Fair Value Measurements

Valvoline uses applicable guidance for defining fair value, the initial recording and periodic remeasurement of certain assets and liabilities measured at fair value and related disclosures for instruments measured at fair value. Fair value accounting guidance establishes a fair value hierarchy, which prioritizes the inputs to valuation techniques used to measure fair value into three broad levels. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). An instrument's categorization within the fair value hierarchy is based upon the lowest level of input that is significant to the instrument's fair value measurement. Valvoline measures assets and liabilities using inputs from the following three levels of fair value hierarchy:

Level 1 - Observable inputs such as unadjusted quoted prices in active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. These include quoted prices for similar assets or liabilities in active markets and quoted prices for identical or similar assets or liabilities in markets that are not active.

Level 3 - Unobservable inputs for the asset or liability for which there is little, if any, market activity at the measurement date. Unobservable inputs reflect Valvoline's own assumptions about what market participants would use to price the asset or liability. The inputs are developed based on the best information available in the circumstances, which might include Valvoline's own financial data such as internally developed pricing models, discounted cash flow methodologies, as well as instruments for which the fair value determination requires significant management judgment.

For assets that are measured using quoted prices in active markets (Level 1), the total fair value is the published market price per unit multiplied by the number of units held without consideration of transaction costs. Assets and liabilities that are measured using significant other observable inputs (Level 2) are primarily valued by reference to quoted prices of similar assets or liabilities in active markets, adjusted for any terms specific to that asset or liability. For all other assets and liabilities for which unobservable inputs are used (Level 3), fair value is derived through the use of fair value models, such as a discounted cash flow model or other standard pricing models that Valvoline deems reasonable.

Foreign currency translation

Operations outside the United States are measured primarily using the local currency as the functional currency. Upon consolidation, the results of operations of the subsidiaries and affiliates whose functional currency is other than the U.S. dollar are translated into U.S. dollars at the average exchange rates for the year while assets and liabilities are translated at year-end exchange rates. Adjustments to translate assets and liabilities into U.S. dollars are recorded in the stockholders' equity section of the Consolidated Balance Sheets as a component of accumulated other comprehensive loss and are included in net earnings only upon sale or substantial liquidation of the underlying foreign subsidiary or affiliated company. For periods prior to IPO, the Consolidated Balance Sheet does not reflect derivative instruments entered into by Ashland to hedge variations in foreign currency for Valvoline results due to the centralized treasury function utilized by Ashland on behalf of its subsidiaries. Derivative instruments entered into by Valvoline following the IPO in late September 2016 had an immaterial impact on the consolidated financial statements.

Earnings per share

Basic earnings per share is calculated by dividing net income by the weighted-average number of shares outstanding during the reported period. The calculation of diluted earnings per share is similar to basic earnings per share, except that the weighted-average number of shares outstanding includes the dilution from potential shares added from stock awards. For all periods presented, basic and

diluted earnings per share were the same, as no potentially dilutive securities were outstanding. While there were no shares outstanding prior to Valvoline's IPO, per share calculations have been provided for comparability purposes utilizing the September 30, 2016 number of shares outstanding for all periods.

New accounting pronouncements

In August 2016, the Financial Accounting Standards Board (the "FASB") issued new accounting guidance on eight specific cash flow classification issues. The amendments in this guidance will become effective retrospectively for Valvoline on October 1, 2018. Early adoption is permitted in any interim or annual period. Valvoline is currently evaluating the impact this guidance may have on Valvoline's consolidated financial statements.

In March 2016, the FASB issued new accounting guidance for certain aspects of share-based payments to employees. This guidance requires all excess tax benefits and tax deficiencies related to share-based payments to be recognized as income tax expense in the income statement instead of additional paid in capital, and changes the classification of excess tax benefits from a financing activity to an operating activity within the statement of cash flows. This guidance also allows entities to make an accounting policy election to either estimate the number of awards that are expected to vest or account for forfeitures when they occur. Lastly, this guidance increases the amount an employer can withhold to cover income taxes on awards and still qualify for equity classification and requires that cash paid by an employer when directly withholding shares for tax-withholding purposes be classified as a financing activity within the statement of cash flows. The guidance will become effective for Valvoline on October 1, 2017. Valvoline expects to issue share-based payments to employees in future periods and is currently evaluating the impact this guidance may have on Valvoline's consolidated financial statements.

In February 2016, the FASB issued new accounting guidance related to lease transactions. The main objective of this guidance is to increase transparency and comparability among organizations by requiring lessees to recognize assets and liabilities on the balance sheet for the rights and obligations created by leases and to disclose key information about leasing arrangements. The presentation of the Consolidated Statements of Comprehensive Income and the Consolidated Statements of Cash Flows is largely unchanged under this guidance. This guidance retains a distinction between finance leases and operating leases, and the classification criteria for distinguishing between finance leases and operating leases are substantially similar to the classification criteria for distinguishing between capital leases and operating leases in the current accounting literature. The guidance will become effective for Valvoline on October 1, 2019. Valvoline is currently evaluating the impact this guidance will have on Valvoline's consolidated financial statements.

In January 2016, the FASB issued accounting guidance related to the recognition and measurement of financial assets and financial liabilities. The main objective of this guidance is enhancing the reporting model for financial instruments to provide users of financial statements with more decision-useful information. The amendments in this guidance address certain aspects of recognition, measurement, presentation and disclosure of financial instruments. The guidance also eliminates the requirement for public business entities to disclose the method(s) and significant assumptions used to estimate the fair value that is required to be disclosed for financial instruments measured at amortized cost on the balance sheet and clarifies that an entity should evaluate the need for a valuation allowance on a deferred tax asset related to available-for-sale securities in combination with the entity's other deferred tax assets. The guidance will become effective for Valvoline on October 1, 2018. Early application to financial statements of fiscal years or interim periods that have not yet been issued is permitted as of the beginning of the fiscal year of adoption. Valvoline is currently evaluating the impact this guidance may have on Valvoline's consolidated financial statements.

In November 2015, the FASB issued accounting guidance requiring all deferred tax assets and liabilities to be classified as noncurrent on the balance sheet instead of separating deferred taxes into current and noncurrent amounts. During 2016, Valvoline adopted this new guidance and applied it retrospectively to the September 30, 2015 Consolidated Balance Sheet. The impact of this new guidance within this statement resulted in the reclassification of $8 million of net current deferred taxes to noncurrent deferred tax assets.

In July 2015, the FASB issued accounting guidance to simplify the subsequent measurement of certain inventories by replacing the current lower of cost or market test with a lower of cost and net realizable value test. The guidance applies only to inventories for which cost is determined by methods other than last-in first-out and the retail inventory method. This guidance will become effective prospectively for Valvoline on October 1, 2017, with early adoption permitted. Valvoline is currently evaluating the new accounting standard and the impact this new guidance will have on Valvoline's consolidated financial statements.

In April 2015, the FASB issued accounting guidance to help entities evaluate the accounting for fees paid by a customer in a cloud computing arrangement. Cloud computing arrangements represent the delivery of hosted services over the internet which includes software, platforms, infrastructure and other hosting arrangements. Under the guidance, customers that gain access to software in a cloud computing arrangement account for the software as internal-use software only if the arrangement includes a software license. This guidance will become effective prospectively for Valvoline on October 1, 2016.

In April 2015 and August 2015, the FASB issued accounting guidance to simplify the presentation of debt issuance costs by requiring that debt issuance costs related to a recognized debt liability be presented retrospectively in the balance sheet as a direct deduction from the carrying amount of that debt liability, consistent with debt discounts. The recognition and measurement guidance for debt issuance costs were not affected by this amendment. Valvoline did not have debt issuance costs as of September 30, 2015, and as a result of electing to early adopt this guidance, $9 million of debt issuance costs were presented as long-term debt as of September 30, 2016.

In May 2014, the FASB issued accounting guidance outlining a single comprehensive five step model for entities to use in accounting for revenue arising from contracts with customers (ASC 606 Revenue from Contracts with Customers). The new guidance supersedes most current revenue recognition guidance, in an effort to converge the revenue recognition principles within U.S. GAAP. This new guidance also requires entities to disclose certain quantitative and qualitative information regarding the nature, amount, timing and uncertainty of qualifying revenue and cash flows arising from contracts with customers. Entities have the option of using a full retrospective or a modified retrospective approach to adopt the new guidance. This guidance becomes effective for Valvoline on October 1, 2018. Valvoline is currently evaluating the new accounting standard and the available implementation options the standard allows as well as the impact this new guidance will have on Valvoline's consolidated financial statements.

NOTE 3 – ACQUISITIONS AND DIVESTITURES

Oil Can Henry's

On December 11, 2015, Ashland announced that it signed a definitive agreement to acquire OCH International, Inc. (Oil Can Henry's), which was the 13th largest quick-lube network in the United States, servicing approximately 1 million vehicles annually with 89 quick-lube stores, 47 of which were company-owned and 42 of which were franchise locations, in Oregon, Washington, California, Arizona, Idaho and Colorado. On February 1, 2016, Ashland completed the acquisition.

The total purchase price, net of cash acquired, for the acquisition of Oil Can Henry's within the Quick Lubes reportable segment was $62 million. The following table summarizes the preliminary values of the assets acquired and liabilities assumed at the date of acquisition.

Purchase price allocation (in millions)	Estimated Fair Value
Assets:	
Accounts receivable	$ 1
Inventory	1
Property, plant and equipment	4
Goodwill	83
Intangible assets	2
Other noncurrent assets	2
Liabilities:	
Trade and other payables	(1)
Accrued expenses and other liabilities	(10)
Debt	(11)
Other noncurrent liabilities	(9)
Total purchase price	$ 62

Goodwill is calculated as the excess of the consideration transferred over the net assets recognized and represents the estimated future economic benefits arising from other assets acquired that could not be individually identified and separately recognized. The factors contributing to the recognition of goodwill were based on strategic benefits that are expected to be realized from the acquisition of Oil Can Henry's. None of the goodwill is expected to be deductible for income tax purposes.

From the date of acquisition through September 30, 2016, the total revenue for Oil Can Henry's company-owned and franchise locations totaled $34 million with operating income of $2 million.

Other Quick Lubes Acquisitions

During 2016, Valvoline acquired 15 locations within the Quick Lubes reportable segment through five acquisitions. The aggregate purchase price of $17 million was allocated primarily to property, plant and equipment and goodwill.

At September 30, 2016, the Company was in the process of completing an acquisition for 5 locations within the Quick Lubes reportable segment. The Company paid $4 million related to this acquisition, which closed on October 3, 2016.

During 2015, Valvoline acquired three locations within the Quick Lubes reportable segment. The purchase price of $5 million was allocated primarily to property, plant and equipment and goodwill.

Car Care Products

During 2015, Ashland entered into a definitive sale agreement to sell Valvoline's car care product assets within the Core North America reportable segment for $24 million, which included Car Brite™ and Eagle One™ automotive appearance products. Prior to the sale, Valvoline recognized a loss of $26 million before tax in 2015 to recognize the assets at fair value less cost to sell, using Level 2 nonrecurring fair value measurements. The loss is reported within the net loss on divestiture caption within the Consolidated Statements of Comprehensive Income. The transaction closed on June 30, 2015 and Valvoline received net proceeds of $19 million after adjusting for certain customary closing costs and final working capital amounts.

The sale of Valvoline's car care product assets did not qualify for discontinued operations treatment since it did not represent a strategic shift that had or will have a major effect on Valvoline's operations and financial results.

Venezuela Equity Method Investment

During 2015, Valvoline sold the equity method investment in Venezuela within the International reportable segment. Prior to the sale, Valvoline recognized a $14 million impairment in 2015, for which there was no tax effect, using Level 2 nonrecurring fair value measurements within the equity and other income caption of the Consolidated Statements of Comprehensive Income.

Valvoline's decision to sell the equity investment and the resulting impairment charge recorded during 2015 is reflective of the continued devaluation of the Venezuelan currency (bolivar) based on changes to the Venezuelan currency exchange rate mechanisms during the fiscal year. In addition, the continued lack of exchangeability between the Venezuelan bolivar and U.S. dollar had restricted the equity method investee's ability to pay dividends and obligations denominated in U.S. dollars. These exchange regulations and cash flow limitations, combined with other recent Venezuelan regulations and the impact of declining oil prices on the Venezuelan economy, had significantly restricted Valvoline's ability to conduct normal business operations through the joint venture arrangement. Valvoline determined this divestiture did not represent a strategic shift that had or will have a major effect on Valvoline's operations and financial results, and thus it did not qualify for discontinued operations treatment.

NOTE 4 – EQUITY METHOD INVESTMENTS

Summarized financial information for companies accounted for on the equity method is presented in the following table, along with a summary of the amounts recorded in the consolidated financial statements. The results of operations and amounts recorded by Valvoline as of and for the years ended September 30, 2016 , 2015 and 2014 include results for the Valvoline equity method investment within Venezuela prior to its divestiture in 2015. See Note 3 for further information on this divestiture in 2015. Valvoline has a 50% interest in joint ventures with Cummins in India and China and smaller joint ventures in select countries in Latin America and Asia.

At September 30, 2016 and 2015 , Valvoline's stockholders' (deficit) equity included $26 million and $30 million , respectively, of undistributed earnings from affiliates accounted for on the equity method. The summarized financial information for all companies accounted for on the equity method by Valvoline is as of and for the years ended September 30, 2016 , 2015 and 2014 , respectively.

(In millions)	2016	2015	2014
Financial position			
Current assets	$ 86	$ 80	
Current liabilities	(55)	(48)	
Working capital	31	32	
Noncurrent assets	24	25	
Noncurrent liabilities	(2)	(1)	
Stockholders' equity	$ 53	$ 56	
Results of operations			
Sales	$ 255	$ 275	$ 300
Income from operations	46	48	40
Net income	23	24	22
Amounts recorded by Valvoline			
Investments and advances	$ 26	$ 29	$ 44
Equity income (loss) (a)	12	(2)	10
Distributions received	16	18	7

(a) 2015 includes a $14 million impairment of the equity method investment in Venezuela as further discussed in Note 3.

NOTE 5 – INVENTORIES

Inventories are carried at the lower of cost or market value. Inventories are primarily stated at cost using the weighted-average cost method. In addition, certain lubricants with a replacement cost of $68 million at September 30, 2016 and $63 million at September 30, 2015 are valued at cost using the last-in, first-out (LIFO) method.

The following summarizes Valvoline's inventories in the Consolidated Balance Sheets as of September 30:

(In millions)	2016	2015
Finished products	$ 149	$ 136
Raw materials, supplies and work in process	21	22
LIFO reserves	(29)	(31)
Excess and obsolete inventory reserves	(2)	(2)
	$ 139	$ 125

NOTE 6 – PROPERTY, PLANT AND EQUIPMENT

The following table describes the various components of property, plant and equipment within the Consolidated Balance Sheets as of September 30:

(In millions)	2016	2015
Land	$ 50	$ 47
Buildings (a)	216	200
Machinery and equipment	382	362
Construction in progress	79	19
Total property, plant and equipment (gross)	727	628
Accumulated depreciation (b)	(403)	(374)
Total property, plant and equipment (net)	$ 324	$ 254

(a) Includes $7 million and $5 million of capitalized leases as of September 30, 2016 and September 30, 2015 , respectively.
(b) Includes $2 million for capitalized leases as of September 30, 2016 and September 30, 2015 .

The following table summarizes property, plant and equipment charges included within the Consolidated Statements of Comprehensive Income.

(In millions)	2016	2015	2014
Depreciation (includes capital leases)	$ 38	$ 38	$ 37

NOTE 7 – GOODWILL AND OTHER INTANGIBLES

Goodwill

Valvoline performed a goodwill impairment assessment for each reporting unit during 2016 , 2015 , and 2014 . and upon completion of these assessments, noted no impairment. The estimated fair value of each reporting unit was significantly in excess of its carrying value.

The following is a progression of goodwill by reportable segment for the years ended September 30, 2016 and 2015 .

(In millions)	Core North America	Quick Lubes	International	Total
Balance at September 30, 2014	$ 90	$ 38	$ 40	$ 168
Acquisitions (a)	—	3	—	3
Divestitures	(1)	—	—	(1)
Balance at September 30, 2015	89	41	40	170
Acquisitions (a)	—	94	—	94
Balance at September 30, 2016	$ 89	$ 135	$ 40	$ 264

(a) Relates largely to the Oil Can Henry acquisition in 2016 (see Note 3 for additional information) and other smaller Quick Lubes acquisitions in 2016 and 2015.

Other intangible assets

Refer to the below for a summary of intangible assets as of September 30:

	2016			2015		
(In millions)	Gross carrying amount	Accumulated amortization	Net carrying amount	Gross carrying amount	Accumulated amortization	Net carrying amount
Definite-lived intangible assets						
Trademarks and trade names	$ 1	$ —	$ 1	$ —	$ —	$ —
Customer relationships	3	(2)	1	3	(2)	1
Other intangibles	1	—	1	—	—	—
Total definite-lived intangible assets	$ 5	$ (2)	$ 3	$ 3	$ (2)	$ 1

Amortization expense recognized on intangible assets was less than $1 million for all periods presented and is primarily included in the selling, general and administrative expense caption of the Consolidated Statements of Comprehensive Income. As of September 30, 2016, all of Valvoline's intangible assets that had a carrying value were being amortized. Estimated amortization expense for future periods is $1 million in 2017 and 2018, with immaterial amounts expected in 2019, 2020 and 2021. The amortization expense for future periods is an estimate. Actual amounts may change from such estimated amounts due to fluctuations in foreign currency exchange rates, additional intangible asset acquisitions and divestitures, potential impairment, accelerated amortization, or other events.

NOTE 8 – OTHER NONCURRENT ASSETS AND CURRENT AND NONCURRENT LIABILITIES

The following table provides the components of other noncurrent assets in the Consolidated Balance Sheets as of September 30:

(In millions)	2016	2015
Non-qualified benefit plan investments (a)	$ 34	$ —
Notes receivable from customers	26	17
Customer incentive programs	16	19
Other	13	3
	$ 89	$ 39

(a) The fair value of these investments are based on Level 1 inputs within the fair value hierarchy. See Note 2 for further discussion of fair value measurements.

The following table provides the components of accrued expenses and other liabilities in the Consolidated Balance Sheets as of September 30:

(In millions)	2016	2015
Sales deductions and rebates	$ 67	$ 44
Accrued pension and other postretirement plans	24	—
Incentive compensation	21	20
Accrued vacation	18	15
Accrued taxes (excluding income taxes)	14	16
Accrued payroll	9	6
Accrued interest	4	—
Other current taxes payable	5	10
Other	42	14
	$ 204	$ 125

The following table provides the components of other noncurrent liabilities in the Consolidated Balance Sheets as of September 30:

(In millions)	2016	2015
Obligations to Parent (a)	$ 71	$ —
Reserves related to workers' compensation and general liability	25	14
Accrued tax liabilities	—	5
Deferred compensation	8	—
Unfavorable leasehold interest	7	—
Capitalized lease obligations	6	4
Other	26	2
	$ 143	$ 25

(a) Principally includes amounts due to Ashland under the terms of the Tax Matters Agreement further described in Note 11. Under the Tax Matters Agreement, amounts due to Ashland include the value of certain tax attributes as well as amounts payable to Ashland for various uncertain tax positions and tax-related indemnification obligations.

NOTE 9 – DEBT

The following table summarizes Valvoline's current and long-term debt at September 30, 2016:

(In millions)		
Senior Notes	$	375
Term Loan A		375
Revolver		—
Other (a)		(7)
Total debt	$	743
Current portion of long-term debt		19
Long-term debt	$	724

(a) Other includes $9 million of debt issuance cost discounts in 2016 and $2 million of debt acquired through acquisitions.

At September 30, 2016, Valvoline's long-term debt (including current portion and excluding debt issuance costs) had a carrying value of $752 million, compared to a fair value of $771 million. Borrowings under the Term Loans are at variable interest rates and accordingly their carrying amounts approximate fair value. The fair value of the Senior Notes is based on quoted market prices, which are Level 1 inputs within the fair value hierarchy. See Note 2 for additional information on fair value measurements.

In connection with these financing transactions, Valvoline deferred approximately $17 million in debt issuance costs, of which approximately $4 million of amortization was accelerated and recognized in net interest and other financing expense in the Consolidated Statements of Comprehensive Income as a result of the repayment on the senior secured term loan facility. Of the remaining deferred debt issuance costs, approximately $3 million is related to the Revolver, which had no outstanding balance at September 30, 2016, and is therefore recorded in other noncurrent assets on the Consolidated Balance Sheets. The remaining balance of debt issuance costs is amortized over the term of the respective arrangements using the effective interest method.

Senior Credit Agreement

The 2016 Senior Credit Agreement provides for an aggregate principal amount of $1,325 million in senior secured credit facilities ("2016 Credit Facilities"), comprised of (i) a five-year $875 million term loan A facility ("Term Loans") and (ii) a five-year $450 million revolving credit facility (including a $100 million letter of credit sublimit) ("Revolver").

On September 26, 2016, Valvoline borrowed the full $875 million available under the Term Loans, resulting in approximately $865 million of net proceeds (after deducting fees and expenses). On September 27, 2016, Valvoline borrowed $137 million under the Revolver. The net proceeds of these borrowings under the Term Loans and Revolver were transferred to Ashland. On September 28, 2016, Valvoline used $637 million of the net proceeds received from the IPO to repay $500 million of the $875 million outstanding under the Term Loans and the full $137 million balance outstanding under the Revolver. The 2016 Credit Facilities are guaranteed by Valvoline's existing and future subsidiaries (other than certain immaterial subsidiaries, joint ventures, special purpose financing subsidiaries, regulated subsidiaries, foreign subsidiaries and certain other subsidiaries), and are secured by a first-priority security interest in substantially all the personal property assets, and certain real property assets, of Valvoline and the guarantors, including all or a portion of the equity interests of certain of Valvoline's domestic subsidiaries and first-tier foreign subsidiaries. The 2016 Credit Facilities may be prepaid at any time without premium.

At Valvoline's option, the loans issued under the 2016 Senior Credit Agreement bear interest at either LIBOR or an alternate base rate, in each case plus the applicable interest rate margin. Loans initially bore interest at LIBOR plus 2.375% per annum, in the case of LIBOR borrowings, or at the alternate base rate plus 1.375%, in the alternative, through and including the date of delivery of a quarterly compliance certificate and thereafter the interest rate will fluctuate between LIBOR plus 1.500% per annum and LIBOR plus 2.500% per annum (or between the alternate base rate plus 0.500% per annum and the alternate base rate plus 1.500% annum), based upon Valvoline's corporate credit ratings or the consolidated first lien net leverage ratio (as defined in the 2016 Senior Credit Agreement).

The 2016 Senior Credit Agreement contains usual and customary representations and warranties, and usual and customary affirmative and negative covenants, including limitations on liens, additional indebtedness, investments, restricted payments, asset sales, mergers, affiliate transactions and other customary limitations, as well as financial covenants (including maintenance of a maximum consolidated leverage ratio and a minimum consolidated interest coverage ratio). As of the end of any fiscal quarter, the maximum

consolidated leverage ratio and minimum consolidated interest coverage ratio permitted under the 2016 Senior Credit Agreement are 4.5 and 3.0, respectively.

As of September 30, 2016, Valvoline is in compliance with all covenants under the 2016 Senior Credit Agreement. As of September 30, 2016, there were no amounts outstanding on the Revolver. Total borrowing capacity remaining under the 2016 Senior Credit Agreement was $435 million, due to a reduction of $15 million for letters of credit at September 30, 2016.

Senior Notes

During July 2016, Valvoline completed its issuance of 5.500% senior unsecured notes due 2024 ("2024 Notes") with an aggregate principal amount of $375 million. The 2024 Notes were initially unsecured obligations of Valvoline and were initially guaranteed on an unsubordinated unsecured basis by Ashland (" Ashland Guarantee "). The net proceeds of the offering of $370 million (after deducting initial purchasers' discounts) were transferred to Ashland. Upon completing the initial phase of the Separation of Valvoline from Ashland, the Ashland Guarantee was automatically released.

The 2024 Notes contain customary events of default for similar debt securities, which if triggered may accelerate payment of principal, premium, if any, and accrued but unpaid interest on the 2024 Notes. Such events of default include non-payment of principal and interest, non-performance of covenants and obligations, default on other material debt, and bankruptcy or insolvency. If a change of control repurchase event occurs, Valvoline may be required to offer to purchase the 2024 Notes from the holders thereof. The 2024 Notes are not otherwise required to be repaid prior to maturity, although they may be redeemed at the option of Valvoline at any time prior to their maturity in the manner specified in the indentures governing the Senior Notes.

Long-term Debt Maturities

The future estimated maturities of long-term debt, excluding debt issuance costs, are as follows:

(In millions) **Year ending September 30**		
2017	$	19
2018		19
2019		37
2020		38
2021		263
Thereafter		376
Total	$	752

NOTE 10 – LEASE COMMITMENTS

Valvoline and its subsidiaries are lessees of office buildings, retail outlets, transportation equipment, warehouses and storage facilities, other equipment, facilities and properties under leasing agreements that expire at various dates. Capitalized lease obligations are primarily included in other noncurrent liabilities while capital lease assets are included in property, plant and equipment.

Future minimum rental payments for operating leases was as follows:

(In millions)

Year ending September 30	Minimum lease payments
2017	$ 22
2018	20
2019	17
2020	14
2021	13
Thereafter	69
Total future minimum lease payments (a)	$ 155

(a) Minimum payments have not been reduced by minimum sublease rentals of $4 million due in the future under noncancelable subleases.

Rental expense under operating leases for operations was as follows:

(In millions)	2016	2015	2014
Minimum rentals (including rentals under short-term leases)	$ 15	$ 12	$ 14
Contingent rentals	2	2	3
Sublease rental income	(1)	(1)	(1)
	$ 16	$ 13	$ 16

NOTE 11 – INCOME TAXES

For the years ended September 30, income tax expense consisted of the following:

(In millions)	2016	2015	2014
Current			
Federal	$ 99	$ 81	$ 82
State	24	16	15
Foreign	12	13	10
	135	110	107
Deferred			
Federal	14	(5)	(15)
State	2	(1)	(2)
Foreign	(3)	(3)	1
	13	(9)	(16)
Income tax expense	$ 148	$ 101	$ 91

Deferred income taxes are provided for income and expense items recognized in different years for tax and financial reporting purposes. As of September 30, 2016 , management intends to indefinitely reinvest approximately $11 million of foreign earnings. Because these earnings are considered indefinitely reinvested, no U.S. tax provision has been accrued related to the repatriation of these earnings, and it is not practicable to estimate the amount of U.S. tax that might be payable if these earnings were ever to be remitted.

Temporary differences that give rise to significant deferred tax assets and liabilities are presented in the following table as of September 30:

(In millions)	2016	2015
Deferred tax assets		
Foreign net operating loss carryforwards (a)	$ 1	$ 1
Employee benefit obligations	351	5
Compensation accruals	17	8
Environmental, self-insurance and litigation reserves (net of receivables)	10	—
State net operating loss carryforwards (b)	18	—
Credit carryforwards (c)	20	—
Other items	5	5
Valuation allowances (d)	(6)	(1)
Total deferred tax assets	416	18
Deferred tax liabilities		
Goodwill and other intangibles (e)	6	10
Property, plant and equipment	21	22
Unremitted earnings	2	2
Total deferred tax liabilities	29	34
Net deferred tax asset (liability)	$ 387	$ (16)

(a) Gross net operating loss carryforwards of $2 million will expire in future years beyond 2018.
(b) Apportioned net operating loss carryforwards of $423 million will expire in future years as follows: $3 million in 2017, $5 million in 2018 and the remaining balance in other future years. If certain substantial changes in entity's ownership occur, there would be an annual limitation on the amount of the carryforwards that can be utilized.

(c) Credit carryforwards include offset for uncertain tax positions and consist primarily of foreign tax credits of $13 million expiring in future years beyond 2018, research and development credits of $6 million expiring in future years beyond 2018 and alternative minimum tax credits of $1 million with no expiration date. If certain substantial changes in entity's ownership occur, there would be an annual limitation on the amount of the carryforwards that can be utilized.
(d) Valuation allowances primarily relate to certain state and foreign net operating loss carryforwards, and certain other deferred tax assets.
(e) The total gross amount of goodwill as of September 30, 2016 expected to be deductible for tax purposes is $17 million.

As of September 30, 2016 and 2015, valuation allowances of $6 million and $1 million, respectively, were recorded on the Consolidated Balance Sheets related to deferred tax assets that are not expected to be realized or realizable.

The U.S. and foreign components of income before income taxes and a reconciliation of the statutory federal income tax with the provision for income taxes follow.

(In millions)	2016	2015	2014
Income before income taxes			
United States (a)	$ 382	$ 245	$ 230
Foreign	39	52	34
Total income before income taxes	$ 421	$ 297	$ 264
Income taxes computed at U.S. statutory rate (35%)	$ 147	$ 104	$ 93
Increase (decrease) in amount computed resulting from			
Uncertain tax positions	3	1	2
State taxes	16	9	8
International rate differential	(5)	(8)	(3)
Permanent items (b)	(11)	(5)	(9)
Other items	(2)	—	—
Income tax expense	$ 148	$ 101	$ 91

(a) A significant component of the fluctuations within this caption relates to the annual remeasurements of the U.S. pension and other postretirement plans.
(b) Permanent items in each year relate primarily to the domestic manufacturing deduction and income from equity affiliates. Further, 2015 includes adjustments related to the sale of the Venezuela joint venture of $6 million.

Unrecognized tax benefits

U.S. GAAP prescribes a recognition threshold and measurement attribute for the accounting and financial statement disclosure of tax positions taken or expected to be taken in a tax return. The evaluation of a tax position is a two-step process. The first step requires Valvoline to determine whether it is more likely than not that a tax position will be sustained upon examination based on the technical merits of the position. The second step requires Valvoline to recognize in the financial statements each tax position that meets the more likely than not criteria, measured at the amount of benefit that has a greater than 50% likelihood of being realized. Valvoline had $8 million and $5 million of unrecognized tax benefits at September 30, 2016 and 2015 , respectively. As of September 30, 2016 , the total amount of unrecognized tax benefits that, if recognized, would affect the tax rate was $8 million . The remaining unrecognized tax benefits relate to tax positions for which ultimate deductibility is highly certain but for which there is uncertainty as to the timing of such deductibility. Recognition of these tax benefits would not have an impact on the effective tax rate.

Valvoline recognizes interest and penalties related to uncertain tax positions as a component of income tax expense in the Consolidated Statements of Comprehensive Income. Such interest and penalties totaled expense of $1 million in 2016 and less than $1 million in both 2015 and 2014 . Valvoline had $1 million and less than $1 million in interest and penalties related to unrecognized tax benefits accrued as of September 30, 2016 and 2015 , respectively.

The table below is a rollforward of the changes in gross unrecognized tax benefits for the past three fiscal years:

(In millions)		
Balance at September 30, 2013	$	2
Increases related to positions taken on items from prior years		1
Decreases related to positions taken on items from prior years		1
Balance at September 30, 2014		4
Increases related to positions taken on items from prior years		1
Balance at September 30, 2015		5
Increases related to positions taken on items from prior years		2
Increases related to positions taken in the current year		1
Balance at September 30, 2016	$	8

From a combination of statute expirations and audit settlements in the next twelve months, Valvoline expects no decrease in the amount of accrual for uncertain tax positions. For the remaining balance as of September 30, 2016 , it is reasonably possible that there could be changes to the amount of uncertain tax positions due to activities of the taxing authorities, settlement of audit issues, reassessment of existing uncertain tax positions, or the expiration of applicable statute of limitations; however, Valvoline is not able to estimate the impact of these items at this time.

Valvoline or one of its subsidiaries files income tax returns in the U.S. federal jurisdiction and various state and foreign jurisdictions, or it is included in a consolidated return in these jurisdictions. Foreign taxing jurisdictions significant to Valvoline include Australia, Canada, Brazil, Mexico, China, Singapore, India and the Netherlands. Valvoline is subject to U.S. federal income tax examinations, either directly or as part of a consolidated return, by tax authorities for periods after September 30, 2011 and U.S. state income tax examinations by tax authorities for periods after September 30, 2006. With respect to countries outside of the United States, with certain exceptions, Valvoline's foreign subsidiaries are subject to income tax audits for years after 2005.

For the periods prior to final separation and Stock Distribution, Valvoline will be included in Ashland's consolidated U.S. and state income tax returns and in tax returns of certain Ashland international subsidiaries (collectively, the "Ashland Group Returns"). Under the Tax Matters Agreement between Valvoline and Ashland that was entered into on September 22, 2016, Ashland will generally make all necessary tax payments to the relevant tax authorities with respect to Ashland Group Returns, and Valvoline will make tax sharing payments to Ashland, inclusive of tax attributes utilized. The amount of the tax sharing payments will generally be determined as if Valvoline and each of its relevant subsidiaries included in the Ashland Group Returns filed their own consolidated, combined or separate tax returns for the Interim Period that include only Valvoline and/or its relevant subsidiaries, as the case may be.

For taxable periods that begin on or after the day after the date of the Stock Distribution, Valvoline will no longer be included in any Ashland Group Returns and will file tax returns that include only Valvoline and/or its subsidiaries, as appropriate. Valvoline will not be required to make tax sharing payments to Ashland for those taxable periods. Nevertheless, Valvoline has (and will continue to have following the Stock Distribution) joint and several liability with Ashland to the U.S. Internal Revenue Service ("IRS") for the consolidated U.S. federal income taxes of the Ashland consolidated group for the taxable periods in which Valvoline was part of the Ashland consolidated group.

The Tax Matters Agreement also generally provides that Valvoline has indemnified Ashland for the following taxes:

- Taxes of Valvoline for all taxable periods that begin on or after the day after the date of the Stock Distribution;
- Taxes of Valvoline for the period between the IPO and full separation from Ashland that are not attributable to Ashland Group Returns;
- Taxes for the Pre-IPO Period that arise on audit or examination and are directly attributable to the Valvoline business;
- Certain U.S. federal, state or local taxes for the Pre-IPO Period of Ashland and/or its subsidiaries for that period that arise on audit or examination and are directly attributable to neither the Valvoline business nor the Chemicals business; and
- Transaction Taxes (as defined below) that are allocated to Valvoline under the Tax Matters Agreement.

Total liabilities related to these obligations to Ashland are $71 million at September 30, 2016 and are included within other noncurrent liabilities in the Consolidated Balance Sheets.

The Tax Matters Agreement also provides that Valvoline indemnify Ashland for any taxes (and reasonable expenses) resulting from the failure of the Stock Distribution to qualify for non-recognition of gain and loss or certain reorganization transactions related to the

Separation or the Stock Distribution to qualify for their intended tax treatment ("Transaction Taxes"), where the taxes result from (1) breaches of covenants (including covenants containing the restrictions described below that are designed to preserve the tax-free nature of the Stock Distribution), (2) the application of certain provisions of U.S. federal income tax law to the Stock Distribution with respect to acquisitions of Valvoline's common stock or (3) any other actions that Valvoline knows or reasonably should expect would give rise to such taxes. The Tax Matters Agreement also requires Valvoline to indemnify Ashland for a portion of certain other Transaction Taxes allocated to Valvoline based on Valvoline's market capitalization relative to the market capitalization of Ashland.

Valvoline will generally have either sole control, or joint control with Ashland, over any audit or examination related to taxes for which Valvoline is required to indemnify Ashland.

The Tax Matters Agreement imposes certain restrictions on Valvoline and its subsidiaries (including restrictions on share issuances or repurchases, business combinations, sales of assets and similar transactions) that are designed to preserve the tax-free nature of the Stock Distribution. These restrictions will apply for the two-year period after the Stock Distribution. However, Valvoline will be able to engage in an otherwise restricted action if Valvoline obtains an appropriate opinion from counsel or ruling from the IRS.

NOTE 12 – EMPLOYEE BENEFIT PLANS

Pension plans

Qualifying employees participate in specific Valvoline or Ashland sponsored defined-benefit pension plans, which typically provide pension payments based on an employee's length of service and compensation during the years immediately preceding retirement or have a cash balance design. During March 2016, Ashland announced that the majority of its defined benefit pension plans, accounted for as multi-employer plans for the majority of 2016 and all prior periods, will freeze the accrual of benefits effective as of September 30, 2016. As a result of the Separation, Ashland transferred the majority of the multi-employer pension plans to Valvoline on September 1, 2016. Pension obligations for applicable employees of non-U.S. consolidated subsidiaries are provided for in accordance with local practices and regulations of the respective countries.

Valvoline has certain defined benefit pension plans that were specifically designated only for Valvoline employees that are included within the Consolidated Balance Sheets. Valvoline accounted for its participation in the Ashland sponsored defined benefit pension plans as multi-employer plans, which in accordance with U.S. GAAP, were not included within the Consolidated Balance Sheets for periods prior to September 2016. As part of the initial separation from Ashland, a significant portion of Ashland's net unfunded pension plan liabilities, of which a substantial portion relates to the U.S pension plans, was transferred to Valvoline . Subsequent to the transfer of Ashland's net unfunded pension plan liabilities to Valvoline on September 1, 2016, Valvoline accounts for the plans as single-employer plans recognizing the full amount of any costs, gains, and net liabilities within the consolidated financial statements.

For purposes of these consolidated financial statements, costs for multi-employer plans were allocated based on Valvoline employees' participation in the plan prior to September 1, 2016. The amount of net pension cost allocated to Valvoline related to these multi-employer plans was expense of $21 million, $43 million, and $58 million during the eleven months ended August 31, 2016, and fiscal 2015 and 2014, respectively. Within the multi-employer adjustments are remeasurement gains and losses, including actuarial gains and losses, of $24 million, $44 million and $58 million in losses during the eleven months ended August 31, 2016, and fiscal 2015 and 2014, respectively.

For Valvoline's specific stand-alone pension plans and plans that were accounted for as single-employer plans subsequent to the transfer from Ashland, the amount of net pension income was $45 million during 2016. The amount of net pension costs for Valvoline specific stand-alone pension plans was $3 million during both 2015 and 2014. The net periodic benefit costs, obligations and plan assets for these stand-alone and the transferred pension plans are disclosed in further detail within this Note 12.

Pension annuity program

On September 15, 2016, Valvoline used pension assets to purchase a non-participating annuity contract from an insurer that will pay and administer future pension benefits for 14,800 participants within the qualified U.S. pension plan. Valvoline transferred approximately $378 million of the outstanding pension benefit obligation in exchange for pension trust assets whose value approximated the liability value. The annuity purchase transaction did not generate a material settlement adjustment during 2016. The insurer has unconditionally and irrevocably guaranteed the full payment of benefits to plan participants associated with the annuity purchase and benefit payments will be in the same form that was in effect under the Plan. The insurer has also assumed all investment risk associated with the pension assets that were delivered as annuity contract premiums.

Other postretirement benefit plans

Certain of Valvoline's U.S. and Canada retired or disabled employees participated in health care and life insurance plans sponsored by Ashland. Historically, there were no Valvoline specific postretirement benefit plans. During March 2016, Ashland announced that it will reduce retiree life and medical benefits effective October 1, 2016 and January 1, 2017, respectively. The majority of qualifying employees participated in Ashland sponsored postretirement plans that were accounted for by Valvoline as multi-employer plans, which in accordance with U.S. GAAP, were not included within the Consolidated Balance Sheets for prior periods. As a result of the Separation, Ashland transferred the majority of the multi-employer other postretirement benefit plans to Valvoline on September 1, 2016. For purposes of these consolidated financial statements, the transferred plans were accounted for as multi-employer plans until the transfer date of September 1, 2016 and subsequently all costs and liabilities associated with these plans are included in the consolidated financial statements.

Since January 1, 2004, the transferred plans have limited their annual per capita costs to an amount equivalent to base year per capita costs, plus annual increases of up to 1.5% per year for costs incurred. As a result, health care cost trend rates have no significant effect on the amounts reported for the health care plans. Premiums for retiree health care coverage are equivalent to the excess of the estimated per capita costs over the amounts borne by Valvoline. The assumed postretirement health care plans include a limit on Valvoline's share of costs for recent and future retirees. The assumed pre-65 health care cost trend rate as of September 30, 2016 was 7.9% and continues to be reduced to 4.5% in 2037 and thereafter. The assumptions used to project the liability anticipate future cost-sharing changes to the written plans that are consistent with the increase in health care cost.

Costs for Valvoline's participation in the Ashland sponsored other postretirement plans were allocated based on Valvoline employees' relative participation in the plan prior to September 1, 2016. The amount of cost allocated was expense of $1 million during 2014. Within the multi-employer adjustments are remeasurement gains and losses, including actuarial losses of $2 million during 2014.

Change in applying discount rate to measure benefit costs

During 2016, Ashland changed the method used to estimate the service and interest cost components of net periodic benefit costs for pension and other postretirement benefits. This change compared to the previous method resulted in a decrease in the service and interest cost components for pension and other postretirement benefit costs during 2016. Historically, Ashland estimated these service and interest cost components utilizing a single weighted-average discount rate derived from the yield curve used to measure the benefit obligation at the beginning of the period. Ashland has elected to utilize a full yield curve approach in the estimation of these components by applying the specific spot rates along the yield curve used in the determination of the benefit obligation to the relevant projected cash flows. Ashland made this change to provide a more precise measurement of service and interest costs by improving the correlation between projected benefit cash flows to the corresponding spot yield curve rates. This change does not affect the measurement of Ashland's total benefit obligations or annual net periodic benefit costs as the change in the service and interest costs will be offset in the actuarial gain or loss reported, which typically occurs during the fourth fiscal quarter. Ashland has accounted for this change as a change in accounting estimate that is inseparable from a change in accounting principle and accordingly has accounted for it prospectively. Valvoline will continue this accounting treatment for the transferred plans.

For defined benefit pension plans specific to Valvoline, the impact of this discount rate change compared to the previous method decreased pension service and interest cost minimally for the full year 2016. Based on plan demographics, the majority of the incremental decrease was reported in selling, general, and administrative expense during 2016, within the Consolidated Statements of Comprehensive Income in the Unallocated and other segment. Service and interest cost, as well as the other components of net periodic benefit costs, were subject to change for such reasons as an event requiring a remeasurement. Valvoline's total projected benefit obligations related to these specific pension plans was not impacted by these reductions in service and interest costs as the decrease was substantially offset within the actuarial gain or loss caption when the plans were remeasured during the fiscal year.

Components of net periodic benefit costs (income)

For segment reporting purposes, service cost for operations is proportionately allocated to each reportable segment, excluding the Unallocated and other segment, while all other costs for operations are recorded within the Unallocated and other segment.

The following table summarizes the components of pension and other postretirement plans benefit costs for operations and the assumptions used to determine net periodic benefit costs (income) for the plans included within the Consolidated Balance Sheets, which as of September 30, 2016 includes pension and other postretirement plans transferred from Ashland.

(In millions)	Pension benefits			Other postretirement benefits		
	2016	2015	2014	2016	2015	2014
Net periodic benefit costs (income)						
Service cost	$ 3	$ 1	$ 2	$ —	$ —	$ —
Interest cost	11	3	3	—	—	—
Expected return on plan assets	(17)	(3)	(3)	—	—	—
Amortization of prior service credit (a)	—	—	—	(1)	—	—
Actuarial loss (gain)	(42)	2	1	—	—	—
Pre-separation allocation from Parent (b)	21	43	58	—	—	1
	$ (24)	$ 46	$ 61	$ (1)	$ —	$ 1
Weighted-average plan assumptions (c)						
Discount rate for service cost (d)	4.10%	4.08%	4.61%	4.25%	—	—
Discount rate for interest cost (d)	3.23%	4.08%	4.61%	2.92%	—	—
Rate of compensation increase	3.23%	3.15%	3.52%	—	—	—
Expected long-term rate of return on plan assets	6.77%	5.34%	5.97%	—	—	—

(a) Other postretirement plan changes announced in March 2016 resulted in negative plan amendments that are being amortized within this caption during 2016.

(b) The pre-separation allocation from Ashland are costs (income) of multi-employer plans for 2014, 2015, and from October 1, 2015 until the transfer of plans to Valvoline at September 1, 2016. The allocation during 2016, 2015 and 2014 is comprised of service cost of $7 million, $8 million, and $8 million, respectively; non-service income of $10 million, $9 million, and $9 million, respectively; and actuarial losses of $24 million, $44 million, and $60 million, respectively.

(c) The plan assumptions discussed are a blended weighted-average rate for Valvoline's U.S. and non-U.S. plans. The assumptions for 2015 and 2014 only reflect Valvoline stand-alone plans. The 2016 assumptions reflect a combination of a full year of Valvoline stand-alone plans and one month for the plans transferred to Valvoline on September 1, 2016. The U.S. pension plan represented approximately 98% of the projected benefit obligation at September 30, 2016. Other postretirement benefit plans consist of U.S. and Canada, with the U.S. plan representing approximately 81% of the projected benefit obligation at September 30, 2016. Non-U.S. plans use assumptions generally consistent with those of U.S. plans.

(d) Weighted-average discount rates in 2016 reflect the adoption of the full yield curve approach.

The following table shows the amortization of prior service cost (credit) recognized in accumulated other comprehensive loss.

(In millions)	Pension benefits		Postretirement	
	2016	2015	2016	2015
Transfer in of unrecognized prior service cost (credit)	$ 1	$ —	$ (81)	$ —
Amortization of prior service credit	—	—	1	—
Total	$ 1	$ —	$ (80)	$ —
Total recognized in net periodic benefit cost (income) and accumulated other comprehensive loss	$ (23)	$ 3	$ (81)	$ —

The following table shows the amount of prior service credit in accumulated other comprehensive loss at September 30, 2016 that is expected to be recognized as a component of net periodic benefit cost (income) during the next fiscal year.

(In millions)	Pension benefits	Postretirement
Prior service credit	$ —	$ (12)

As of September 30, 2016 and 2015 , the amounts recognized within accumulated other comprehensive loss are shown in the following table.

(In millions)	Pension benefits 2016	Pension benefits 2015	Postretirement 2016	Postretirement 2015
Prior service cost (credit)	$ 2	$ 1	$ (80)	$ —

Obligations and funded status

Actuarial valuations are performed for the pension benefit plans to determine Valvoline's obligation for each plan specific to Valvoline. In accordance with U.S. GAAP, Valvoline recognizes the unfunded status of these plans as a liability in the Consolidated Balance Sheets. Summaries of the change in benefit obligations, plan assets, funded status of the plans, amounts recognized in the balance sheet, and assumptions used to determine the benefit obligations for 2016 and 2015 follow for the plans included within the Consolidated Balance Sheets.

(In millions)	Pension benefits 2016	Pension benefits 2015	Postretirement 2016	Postretirement 2015
Change in benefit obligations				
Benefit obligations at October 1	$ 59	$ 68	$ —	$ —
Transfer from Parent	3,523	—	75	—
Service cost	3	1	—	—
Interest cost	11	3	—	—
Participant contributions	—	—	1	—
Benefits paid	(20)	(3)	(3)	—
Actuarial loss (gain)	(66)	2	—	—
Foreign currency exchange rate changes	1	(12)	—	—
Curtailment/Settlement	(373)	—	—	—
Benefit obligations at September 30	$ 3,138	$ 59	$ 73	$ —
Change in plan assets				
Value of plan assets at October 1	$ 46	$ 53	$ —	$ —
Transfer from Parent	2,653	—	—	—
Actual return on plan assets	(7)	3	—	—
Employer contributions	6	3	2	—
Participant contributions	—	—	1	—
Benefits paid	(20)	(3)	(3)	—
Foreign currency exchange rate changes	2	(10)	—	—
Curtailment/Settlement	(373)	—	—	—
Value of plan assets at September 30	$ 2,307	$ 46	$ —	$ —
Unfunded status of the plans	$ (831)	$ (13)	$ (73)	$ —
Amounts recognized in the balance sheet				
Current benefit liabilities	$ (11)	$ —	$ (11)	$ —
Noncurrent benefit liabilities	(820)	(13)	(62)	—
Net amount recognized	$ (831)	$ (13)	$ (73)	$ —
Weighted-average plan assumptions				
Discount rate	3.54%	3.84%	2.92%	—
Rate of compensation increase	3.10%	3.14%	—	—

The accumulated benefit obligation for all pension plans was $3,134 million at September 30, 2016 and $56 million at September 30, 2015 . Information for pension plans with an accumulated benefit obligation in excess of plan assets follows for the plans included within the Consolidated Balance Sheets:

	2016			2015		
(In millions)	Qualified plans	Non-qualified plans	Total	Qualified plans	Non-qualified plans	Total
Projected benefit obligation	$ 2,976	$ 152	$ 3,128	$ 44	$ 7	$ 51
Accumulated benefit obligation	2,973	152	3,125	42	6	48
Fair value of plan assets	2,298	—	2,298	39	—	39

Plan assets

The weighted average expected long-term rate of return on pension plan assets was 6.77% and 5.34% for 2016 and 2015 , respectively. The basis for determining the expected long-term rate of return is a combination of future return assumptions for various asset classes in Ashland's investment portfolio, historical analysis of previous returns, market indices and a projection of inflation.

The following table summarizes the various investment categories that the pension plan assets are invested in and the applicable fair value hierarchy that the financial instruments are classified within these investment categories as of September 30, 2016 . For additional information and a detailed description of each level within the fair value hierarchy, see Note 2.

(In millions)	Total fair value	Quoted prices in active markets for identical assets Level 1	Significant other observable inputs Level 2	Significant unobservable inputs Level 3
Cash and cash equivalents	$ 81	$ 81	$ —	$ —
U.S. government securities	85	—	85	—
Other government securities	73	—	73	—
Corporate debt instruments	1,077	877	200	—
Corporate stocks	242	134	108	—
Private equity and hedge funds	726	—	—	726
Other investments	23	—	—	23
Total assets at fair value	$ 2,307	$ 1,092	$ 466	$ 749

The following table summarizes the various investment categories that the pension plan assets are invested in and the applicable fair value hierarchy that the financial instruments are classified within these investment categories as of September 30, 2015 .

(In millions)	Total fair value	Quoted prices in active markets for identical assets Level 1	Significant other observable inputs Level 2	Significant unobservable inputs Level 3
Cash and cash equivalents	$ 3	$ 3	$ —	$ —
Other government securities	26	—	26	—
Corporate stocks	16	—	16	—
Private equity and hedge funds	1	—	—	1
Total assets at fair value	$ 46	$ 3	$ 42	$ 1

Valvoline's pension plans hold a variety of investments designed to diversify risk. Investments classified as a Level 1 fair value measure principally represent marketable securities priced in active markets. Cash and cash equivalents and public equity and debt securities are well diversified and invested in U.S. and international small-to-large companies across various asset managers and styles. Investments classified as a Level 2 fair value measure principally represent fixed-income securities in U.S. treasuries and agencies and other investment grade corporate bonds and debt obligations.

Valvoline's pension plans also hold Level 3 investments primarily within hedge funds and private equity funds with hedge funds accounting for nearly all of the Level 3 investments. Valvoline's investments in these funds are primarily valued using the net asset value per share of underlying investments as determined by the respective individual fund administrators on a daily, weekly or monthly basis, depending on the fund. Such valuations are reviewed by the portfolio managers who determine the estimated value of the collective funds based on these inputs. The following table provides a reconciliation of the beginning and ending balances for these Level 3 assets.

(In millions)	Total Level 3 assets	Private equity and hedge funds	Other investments
Balance at September 30, 2014	$ 1	$ 1	$ —
Purchases	—	—	—
Sales	—	—	—
Actual return on plan assets	—	—	—
Balance at September 30, 2015	$ 1	$ 1	$ —
Transfer in	794	771	23
Purchases	—	—	—
Sales	(51)	(51)	—
Actual return on plan assets			
Related to assets held at September 30, 2016	5	5	—
Balance at September 30, 2016	$ 749	$ 726	$ 23

Investments and Strategy

In developing an investment strategy for its defined benefit plans, Valvoline has considered the following factors: the nature of the plans' liabilities, the allocation of liabilities between active, deferred and retired members, the funded status of the plans, the applicable investment horizon, the respective size of the plans and historical and expected investment returns. Valvoline's U.S. pension plan assets are managed by outside investment managers, which are monitored against investment return benchmarks and Valvoline's established investment strategy. Investment managers are selected based on an analysis of, among other things, their investment process, historical investment results, frequency of management turnover, cost structure and assets under management. Assets are periodically reallocated between investment managers to maintain an appropriate asset mix and diversification of investments and to optimize returns.

The current target asset allocation for the U.S. plan is 51% fixed securities and 49% equity securities. Fixed income securities primarily include long duration high grade corporate debt obligations. Risk assets include both traditional equity as well as a mix of non-traditional assets such as hedge funds and private equity. Investment managers may employ a limited use of derivatives to gain efficient exposure to markets.

Valvoline's investment strategy and management practices relative to plan assets of non-U.S. plans generally are consistent with those for U.S. plans, except in those countries where investment of plan assets is dictated by applicable regulations. The weighted-average asset allocations for Valvoline's U.S. and non-U.S. plans at September 30, 2016 and 2015 by asset category follow.

(In millions)	Target	Actual at September 30 2016	2015
Plan assets allocation			
Equity securities	15-60%	46%	36%
Debt securities	40-85%	52%	62%
Other	0-20%	2%	2%
		100%	100%

Cash flows

U.S. pension legislation and future funding requirements

Valvoline's U.S. qualified pension plans funding requirements through fiscal 2017 are calculated in accordance with the regulations set forth in the Moving Ahead for Progress in the 21 st Century Act (MAP-21), which provides temporary relief for employers who sponsor defined benefit pension plans related to funding contributions under the Employee Retirement Income Security Act of 1974. Specifically, MAP-21 allows for the use of a 25-year average interest rate within an upper and lower range for purposes of determining minimum funding obligations instead of an average interest rate for the two most recent years, as was previously required.

During fiscal 2016, Valvoline contributed $2 million to its non-qualified U.S. pension plans and $4 million and $3 million during 2016 and 2015, respectively, to its non-U.S. pension plans. Valvoline expects to contribute approximately $12 million to its non-qualified U.S. pension plans and $3 million to its non-U.S. pension plans during 2017.

The following benefit payments, which reflect future service expectations, are projected to be paid in each of the next five years and in aggregate for five years thereafter.

(In millions)	Pension benefits	Postretirement
2017	$ 195	$ 11
2018	194	8
2019	193	7
2020	193	5
2021	192	4
2022 - 2026	942	19

Other plans

For 2016, 2015 and 2014, qualifying Valvoline employees are eligible to participate in Ashland's qualified savings plan that assists employees in providing for retirement or other future needs, Valvoline's allocated expense related to these defined contributions was $11 million in 2016 and 2015 and $7 million in 2014. After the IPO, Valvoline sponsors various other benefit plans, some of which are required by different countries. Total current and noncurrent liabilities associated with these plans were $2 million and $4 million, respectively, as of September 30, 2016.

NOTE 13 – LITIGATION, CLAIMS AND CONTINGENCIES

There are various claims, lawsuits and administrative proceedings pending or threatened against Valvoline and its various subsidiary companies and, in certain jurisdictions, separate legal entities which are deemed insignificant. Such actions are with respect to commercial and tax disputes, product liability, toxic tort liability, environmental, and other matters which seek remedies or damages, in some cases in substantial amounts. While Valvoline cannot predict with certainty the outcome of such actions, it believes that adequate reserves have been recorded where appropriate and losses already recognized with respect to such actions were immaterial as of September 30, 2016 and 2015 . There is a reasonable possibility that a loss exceeding amounts already recognized may be incurred related to these actions; however, Valvoline believes that such potential losses will not be material.

Commercial contract

During 2014, Valvoline received a favorable arbitration ruling on a commercial contract related to the International reportable segment. Collections from the settlement for $2 million and $10 million during 2015 and 2014, respectively, were recognized within the equity and other income caption of the Consolidated Statements of Comprehensive Income.

NOTE 14 – RELATED PARTY TRANSACTIONS AND PARENT COMPANY INVESTMENT

Related party transactions

All significant intercompany transactions between Valvoline and Ashland have been included in the consolidated financial statements and are considered to have been effectively settled for cash at the time the transaction was recorded. The total net effect of the settlement of these transactions between Valvoline and Ashland is reflected in the Consolidated Statements of Cash Flows as a financing activity and in the Consolidated Balance Sheets as Parent company investment. In the Consolidated Statements of Stockholders' Equity, the invested equity returned to Ashland is the net of a variety of intercompany transactions including, but not limited to, collection of trade receivables, payment of trade payables and accrued liabilities, settlement of charges for allocated corporate costs and payment of taxes by Ashland on Valvoline's behalf.

Cash management and financing

Until the IPO, Valvoline participated in Ashland's centralized cash management system. Accordingly, the cash and cash equivalents were held by Ashland at the corporate level and were not attributed to Valvoline for the 2015 period. Transfers of cash, both to and from Ashland's centralized cash management system, are reflected as a component of Parent company investment on the Consolidated Balance Sheets and as a financing activity within the accompanying Consolidated Statements of Cash Flows. Debt obligations of Ashland have not been included in the consolidated financial statements of Valvoline, because Valvoline is not a party to the obligation between Ashland and the debt holders.

Derivative instruments

Ashland regularly uses derivative instruments to manage its exposure to fluctuations in foreign currencies. Gains and losses related to a hedge are either recognized in income immediately, to offset the gain or loss on the hedged item, or deferred and recorded in the equity section of Ashland's Consolidated Balance Sheets as a component of accumulated other comprehensive loss and subsequently recognized in Ashland's Consolidated Statements of Comprehensive Income when the hedged item affects net income. The ineffective portion of the change in fair value of a hedge is recognized in income immediately.

Until the IPO, Valvoline participated in Ashland's centralized programs. As a result, no gains or losses on hedges reported as a component of the cumulative translation adjustment within accumulated other comprehensive loss are reported in the Consolidated Balance Sheets for any year presented.

Changes in the fair value of all derivatives are recognized immediately in income unless the derivative qualifies as a hedge of future cash flows or a hedge of a net investment in foreign operations. Expenses recognized in income have been allocated to Valvoline as part of the Corporate expense allocations.

Valvoline began its own hedging program in late September 2016. Foreign currency derivative instruments are used to manage exposure on certain transactions denominated in foreign currencies to curtail potential earnings volatility effects of certain assets and liabilities, including short-term inter-company loans, denominated in currencies other than the U.S. dollar. These derivative contracts generally require exchange of one foreign currency for another at a fixed rate at a future date and generally have maturities of less than twelve months. All contracts are valued at fair value with net changes in fair value recorded within the selling, general and administrative expense caption of the Consolidated Statements of Comprehensive Income. As of the end of fiscal year 2016, none of the outstanding hedges had settled. The outstanding balance of these hedges was not material at September 30, 2016.

Stock incentive plans

Valvoline has historically participated in Ashland's stock incentive plans for key employees and directors, primarily in the form of stock appreciation rights, restricted stock, performance shares and other non-vested stock awards. Equity-based compensation expense has been either directly reported by or allocated to Valvoline based on the awards and terms previously granted to Ashland's employees. Stock based compensation expense recorded by Valvoline during the fiscal years ended September 30, 2016 , 2015 and 2014 were $11 million , $9 million , and $8 million , respectively. These costs were primarily included within the Corporate expense allocation caption of the Consolidated Statements of Comprehensive Income. Compensation expense for stock incentive plans is

generally based on the grant-date fair value over the appropriate vesting period. Ashland utilizes several industry accepted valuation models to determine the fair value. Until the Separation occurs, Valvoline will continue to participate in Ashland's equity-based compensation plans and record equity-based compensation expense based on the historical allocation of cost.

Related party receivables and payables

At September 30, 2016, Valvoline had receivables from Parent of $30 million recorded in other current assets on the Consolidated Balance Sheets. Also, at September 30, 2016, Valvoline had recorded obligations to Parent of $73 million, of which $2 million is in accrued expenses and other liabilities on the Consolidated Balance Sheets and $71 million is recorded in other noncurrent liabilities on the Consolidated Balance Sheets. The long-term liability relates primarily to the obligations under the Tax Matters Agreement.

Transition Services Agreement

Valvoline also entered into a Transition Services Agreement ("TSA") and Reverse Transition Services Agreement ("RTSA") with Ashland to cover certain continued corporate services provided by Valvoline and Ashland to each other following the completion of Valvoline's IPO. In connection with the IPO, Valvoline began to set up its own corporate functions, and pursuant to the TSA, Ashland provides various corporate support services, including certain accounting, human resources, information technology, office and building, risk, security, tax and treasury services. Pursuant to the RTSA, Valvoline provides various corporate support services, including certain human resources, information technology, office and building, security and tax services, as well as certain regulatory compliance services required during the period in which Valvoline remains a majority-owned subsidiary of Ashland. Additional services may be identified from time to time and also be provided under the TSA and RTSA. In general, these agreements began following the completion of the IPO and cover a period not expected to exceed 24 months. The costs of these services were not material during the year ended September 30, 2016, and are consistent with expenses that Ashland has historically allocated or incurred with respect to such services, plus a mark-up of five percent.

Corporate allocations and Parent company investment

Corporate allocations

Prior to the completion of the IPO, Valvoline has historically utilized centralized functions of Ashland to support its operations, and in return, Ashland allocated certain of its expenses to Valvoline. Such expenses represent costs related, but not limited to, treasury, legal, accounting, insurance, information technology, payroll administration, human resources, stock incentive plans and other services. These costs, together with an allocation of Ashland overhead costs, are included within the Corporate expense allocation caption of the Consolidated Statements of Comprehensive Income. Where it is possible to specifically attribute such expenses to activities of Valvoline, these amounts have been charged or credited directly to Valvoline without allocation or apportionment. Allocation of all other such expenses is based on a reasonable reflection of the utilization of service provided or benefits received by Valvoline during the periods presented on a consistent basis, such as headcount, square footage, tangible assets or sales. Valvoline's management supports the methods used in allocating expenses and believes these methods to be reasonable estimates. During 2016, Valvoline began to establish its own corporate functions.

The following table summarizes the centralized and administrative support costs of Ashland that have been allocated to Valvoline for the years ended September 30:

(In millions)	2016	2015	2014
Information technology	$ 20	$ 17	$ 17
Financial and accounting	12	13	12
Building services	11	10	10
Legal and environmental	6	7	7
Human resources	5	4	5
Shared services	2	2	—
Other general and administrative	23	26	44
Total	$ 79	$ 79	$ 95

Nevertheless, the consolidated financial statements may not include all of the actual expenses that would have been incurred and may not reflect Valvoline's results of operations, financial position and cash flows had it been a stand-alone company during the periods presented. It is not practicable to estimate actual costs that would have been incurred had Valvoline been a stand-alone company

during the periods presented. Actual costs that would have been incurred if Valvoline had been a stand-alone company would depend on multiple factors, including organizational structure and strategic decisions made in various areas, including information technology and infrastructure. General corporate expenses allocated to Valvoline during the fiscal years ended September 30, 2016, 2015 and 2014 were $79 million, $79 million, and $95 million, respectively.

NOTE 15 – REPORTABLE SEGMENT INFORMATION

Valvoline's business is managed within three reportable segments based on how operations are managed internally for the products and services sold to customers, including how the results are reviewed by the chief operating decision maker, which includes determining resource allocation methodologies used for reportable segments. Valvoline's operating segments are identical to its reportable segments. Operating income is the primary measure reviewed by the chief operating decision maker in assessing each reportable segment's financial performance. Valvoline's businesses are managed within three reportable segments: Core North America, Quick Lubes, and International.

Reportable segment business descriptions

The Core North America business segment sells Valvoline™ and other branded products in the United States and Canada to both consumers who perform their own automotive maintenance, referred to as "Do-It-Yourself" or "DIY" consumers, as well as to installer customers who use Valvoline products to service vehicles owned by "Do-It-For Me" or "DIFM" consumers. Valvoline sells to its DIY consumers through national retail auto parts stores, leading mass merchandisers and independent auto part stores. Valvoline sells to its DIFM consumers through installers in the United States and Canada. Installer customers include car dealers, general repair shops, and third-party quick lube chains. Valvoline directly serves these customers as well as through a network of distributors. Valvoline's installer channel also sells branded products and solutions to heavy duty customers such as on-highway fleets and construction companies.

Through its Quick Lubes business segment, Valvoline operates Valvoline Instant Oil Change (VIOC), a quick-lube service chain involving both Company-owned and franchised stores. Valvoline also sells its products and provides Valvoline branded signage to independent quick lube operators through its Express Care program.

The International business segment sells Valvoline™ and Valvoline's other branded products in approximately 140 countries outside of the United States and Canada. Valvoline's key international markets include China, India, EMEA, Latin America and Australia Pacific. The International business segment sells products for both consumer and commercial vehicles and equipment, and is served by company-owned plants in the United States, Australia and the Netherlands, a joint venture-owned plant in India and third-party warehouses and toll manufacturers in other regions. In most of the countries where Valvoline's products are sold, Valvoline goes to market via independent distributors.

The Unallocated and other segment generally includes items such as components of pension and other postretirement benefit plan expenses (excluding service costs, which are allocated to the reportable segments), certain significant company-wide restructuring activities and legacy costs or adjustments that relate to divested businesses, including the $26 million loss from the sale of car care products during 2015.

Valvoline did not have a single customer that represented 10% of consolidated net sales in 2014, 2015, or 2016.

International data

Information about Valvoline's domestic and international operations follows. Valvoline's foreign operations are primarily captured within the International reportable segment and Valvoline has no material operations in any individual international country.

	Sales from external customers			Net (liabilities) assets		Property, plant and equipment - net	
(In millions)	2016	2015	2014	2016	2015	2016	2015
United States	$ 1,397	$ 1,413	$ 1,440	$ (515)	$ 492	$ 286	$ 219
International	532	554	601	190	125	38	35
	$ 1,929	$ 1,967	$ 2,041	$ (325)	$ 617	$ 324	$ 254

Reportable segment results

The following tables present various financial information for each reportable segment for the years ended September 30, 2016 , 2015 and 2014 and as of September 30, 2016 , 2015 and 2014 . Results of Valvoline's reportable segments are presented based on how operations are managed internally for the products and services sold to customers, including how the results are reviewed by the chief operating decision maker, which includes determining resource allocation methodologies used for reportable segments. The structure and practices are specific to Valvoline; therefore, the financial results of Valvoline's reportable segments are not necessarily comparable with similar information for other comparable companies. Valvoline allocates all costs to its reportable segments except for certain significant company-wide restructuring activities and/or other costs or adjustments that relate to former businesses that Valvoline no longer operates. The service cost component of pension and other postretirement benefits costs is allocated to each reportable segment on a ratable basis; while the remaining components of pension and other postretirement benefits costs are recorded to Unallocated and other. Valvoline refines its expense allocation methodologies to the reportable segments from time to time as internal accounting practices are improved, more refined information becomes available and the industry or market changes. Revisions to Valvoline's methodologies that are deemed insignificant are applied on a prospective basis.

Valvoline determined that disclosing sales by specific product was impracticable. As such, the following table provides a summary of 2016 sales by product category for each reportable segment:

Sales by Product Category for 2016					
Core North America		Quick Lubes		International	
Lubricants	87%	Lubricants	94%	Lubricants	89%
Chemicals	4%	Chemicals	1%	Chemicals	7%
Antifreeze	7%	Filters	5%	Antifreeze	3%
Filters	2%		100 %	Filters	1%
	100%				100 %

The following table presents various financial information for each reportable segment. The operating results of divested assets during 2015 that did not qualify for discontinued operations accounting treatment are included in the financial information until the date of sale.

Reportable Segment Information

(In millions)	Years ended September 30 2016	2015	2014
Sales			
Core North America	$ 979	$ 1,061	$ 1,114
Quick Lubes	457	394	370
International	493	512	557
	$ 1,929	$ 1,967	$ 2,041
Equity income (loss)			
Core North America	$ —	$ —	$ —
Quick Lubes	—	—	—
International	12	(2)	10
	12	(2)	10
Other income			
Core North America	1	1	2
Quick Lubes	2	2	2
International	4	7	16
	7	10	20
	$ 19	$ 8	$ 30
Operating income (loss)			
Core North America	$ 212	$ 200	$ 165
Quick Lubes	117	95	79
International	74	65	78
Unallocated and other (a)	28	(37)	(58)
	$ 431	$ 323	$ 264
Assets			
Core North America	$ 517	$ 476	$ 553
Quick Lubes	370	237	224
International	271	263	296
Unallocated and other	659	2	10
	$ 1,817	$ 978	$ 1,083

(a) During 2016 , 2015 , and 2014 , Unallocated and other also includes a gain of $18 million , a loss of $46 million , and a loss of $61 million , respectively, related to the actuarial remeasurements of pension and other postretirement benefit plans.

(In millions)	Years ended September 30 2016	2015	2014
Equity method investments			
Core North America	$ —	$ —	$ —
Quick Lubes	—	—	—
International	26	29	44
Unallocated and other	—	—	—
	$ 26	$ 29	$ 44
Depreciation and amortization			
Core North America	$ 16	$ 17	$ 16
Quick Lubes	17	16	15
International	5	5	6
	$ 38	$ 38	$ 37
Property, plant and equipment – net			
Core North America	$ 123	$ 87	$ 103
Quick Lubes	149	127	124
International	46	40	45
Unallocated and other	6	—	—
	$ 324	$ 254	$ 272
Additions to property, plant and equipment			
Core North America	$ 41	$ 20	$ 15
Quick Lubes	20	19	16
International	5	6	6
	$ 66	$ 45	$ 37

NOTE 16 – SUBSEQUENT EVENTS

On November 15, 2016, the Company's Board of Directors approved a quarterly cash dividend of $0.049 per share of common stock. The dividend is payable December 20, 2016 to shareholders on record on December 5, 2016.

Effective November 29, 2016, Valvoline entered into a $125 million trade receivable securitization facility to provide an additional source of liquidity. The Company borrowed $75 million under this facility on December 1, 2016 and the related proceeds were used to reduce borrowings under the Term Loans.

QUARTERLY FINANCIAL INFORMATION (UNAUDITED)

The following table presents quarterly financial information and per share data relative to Valvoline's Common Stock.

(In millions except per share amounts)	First Quarter		Second Quarter		Third Quarter		Fourth Quarter	
	2016	2015	2016	2015	2016	2015	2016	2015
Sales	$ 456	$ 492	$ 479	$ 481	$ 500	$ 510	$ 494	$ 484
Cost of sales	280	328	288	307	300	321	300	326
Gross profit as a percentage of sales	38.6%	33.3%	39.9%	36.2%	40.0%	37.1%	39.3%	32.6%
Operating income	96	86	104	83	113	109	118	45
Net income	65	57	68	34	75	72	65	33
Basic and diluted earnings per share (b)								
Net income	$ 0.32	$ 0.28	$ 0.33	$ 0.17	$ 0.36	$ 0.35	$ 0.32	$ 0.16
Market price per common share (a)								
High	$ —	$ —	$ —	$ —	$ —	$ —	$ 23.98	$ —
Low	—	—	—	—	—	—	23.10	—

(a) Valvoline common stock began trading on The New York Stock Exchange under the symbol "VVV" on September 23, 2016. Prior to this date, there was no public market for Valvoline common stock.
(b) Per share amounts for periods prior to September 30, 2016 have been presented for comparability only. There were no outstanding shares of Valvoline prior to the IPO in September 2016. The share count utilized for all prior period calculations was the share count as of September 30, 2016.

BY-LAWS

OF

VALVOLINE INC.

Amended and restated as of September 19, 2016

ARTICLE I

Offices

SECTION 1.01. Registered Office . The registered office of Valvoline Inc. (hereinafter called the " **Corporation** ") in the Commonwealth of Kentucky shall be at 306 West Main Street – Suite 512, City of Frankfort, County of Franklin, Kentucky 40601, and the registered agent shall be CT Corporation System, or such other office or agent as the Board of Directors of the Corporation (the " **Board** ") shall from time to time select.

SECTION 1.02. Other Offices . The Corporation may also have an office or offices, and keep the books and records of the Corporation, except as may otherwise be required by law, at such other place or places, either within or outside of the Commonwealth of Kentucky, as the Board may from time to time determine or the business of the Corporation may require.

ARTICLE II

Meetings of Shareholders

SECTION 2.01. Place of Meeting . All meetings of the shareholders of the Corporation (the " **shareholders** ") shall be held at a place, either within or outside of the Commonwealth of Kentucky, to be determined by the Board. If no designation is made by the Board, the place of meeting shall be the principal office of the Corporation. The Board may, in its sole discretion, determine that the meetings shall not be held at any place, but may instead be held solely by means of remote communication as authorized by Section 271B.7-080 of the Kentucky Business Corporation Act (the " **KBCA** ") (or any successor provision thereto).

SECTION 2.02. Annual Meetings . The annual meeting of the shareholders for the election of directors and for the transaction of such other business as may properly come before the meeting shall be held on such date and at such time as shall from time to time be fixed by the Board. Any previously scheduled annual meeting of the shareholders may be postponed by action of the Board taken prior to the time previously scheduled for such annual meeting of the shareholders.

SECTION 2.03. Special Meetings .

(a) Except as otherwise required by law or the Articles of Incorporation of the Corporation (the " **Articles** "), and subject to the rights of the holders of any outstanding series of preferred stock (the " **Preferred Stock** "), special meetings of the shareholders for any purpose or purposes may be called by a majority of the Board.

(b) Subject to the provisions of this Section 2.03, a special meeting of the shareholders shall be called by the Secretary of the Corporation (the " **Secretary** ") following receipt by the Secretary of a written demand for a special meeting (a " **Special Meeting Demand** ") from the holders of at least 33 1/3% of all shares entitled to vote on any issue proposed to be considered at the proposed special meeting (the " **Requisite Holders** ") if such Special Meeting Demand complies with the requirements of Section 2.03(c). The Secretary shall determine whether all such requirements have been satisfied and such determination shall be binding on the Corporation and its shareholders.

(c) A Special Meeting Demand must be delivered to or mailed and received by the Secretary at the principal office of the Corporation. To be in proper form, a Special Meeting Demand shall set be in writing and set forth as to each matter proposed to be brought before the special meeting the information required by Section 2.07(d) with respect to shareholder proposals of business for annual and special meetings. Such shareholders shall also update and supplement such information as required by Sections 2.07(e) and (f) with respect to shareholder proposals of business for annual and special meetings. In addition, a Special Meeting Demand shall not be valid if (i) the Special Meeting Demand relates to an item of

business that is not a proper subject for shareholder action under applicable law; (ii) the Special Meeting Demand is received by the Corporation during the period commencing 90 days prior to the first anniversary of the date of the immediately preceding annual meeting and ending on the date of the next annual meeting; or (iii) such Special Meeting Demand was made in a manner that involved a violation of Regulation 14A under the Securities Exchange Act of 1934, as amended (the " **Exchange Act** ") or other applicable law.

(d) A Special Meeting Demand may be revoked by written revocation delivered to the Corporation at any time prior to the special meeting by one or more of the shareholders who originally executed such Special Meeting Demand so long as those shareholders who originally executed the Special Meeting Demand but who do not execute such written revocation (if any) do not collectively constitute Requisite Holders; provided , however , the Board shall have the discretion to determine whether or not to proceed with the special meeting.

(e) If none of the shareholders who submitted the Special Meeting Demand for a special meeting of the shareholders appears or sends a qualified representative to present the proposal(s) or business submitted by the shareholders for consideration at the special meeting, the Corporation need not present such proposal(s) or business for a vote at such meeting.

(f) Only such business as is specified in the Corporation's notice of any special meeting of the shareholders shall come before a special meeting. Such business only may be specified by a majority of the Board or in a valid Special Meeting Demand. A special meeting shall be held at such place, if any, and on such date and at such time as shall be fixed by the Board.

(g) The chairman of a special meeting may refuse to permit any business to be brought before a special meeting that fails to comply with this Section 2.03 or, in the case of a shareholder proposal, if the shareholder solicits proxies in support of such shareholder's proposal without having made the representation required by Section 2.07(d)(7).

SECTION 2.04. Notice of Meetings .

(a) Except as otherwise provided by law, notice of each meeting of the shareholders, whether annual or special, shall be given by the Corporation to each shareholder of record entitled to notice of the meeting not less than 10 days nor more than 60 days before the date of the meeting. If mailed, such notice shall be deemed given when deposited in the United States mail, postage prepaid, directed to the shareholder at such shareholder's address as it appears on the records of the Corporation. Each such notice shall state the place, if any, date and time of the meeting, the means of remote communications, if any, by which shareholders and proxy holders may be deemed to be present in person and vote at such meeting and, in the case of a special meeting, the purpose or purposes for which the meeting is called.

(b) Notice of adjournment of a meeting of the shareholders need not be given if the place, if any, date and time to which it is adjourned, and the means of remote communications, if any, by which shareholders and proxy holders may be deemed to be present in person and vote at such meeting, are announced at such meeting, unless, after adjournment, a new record date is or must be fixed for the adjourned meeting. If after adjournment a new record date is or must be fixed for the adjourned meeting, the notice of the adjourned meeting shall be given to each shareholder of record as of the new record date. Such further notice shall be given as may be required by law.

SECTION 2.05. Quorum . Except as otherwise required by law, the Articles or these By-laws of the Corporation (these " **By-laws** "), the holders of a majority of the voting power of the outstanding shares of capital stock of the Corporation entitled to vote thereat, present in person or by proxy, shall constitute a quorum at any meeting of the shareholders; provided , however , that in the case of any vote to be taken by classes or series, the holders of a majority of the votes entitled to be cast by the shareholders of a particular class or series, present in person or by proxy, shall constitute a quorum of such class or series. To the fullest extent permitted by law, the shareholders present at a duly organized meeting may continue to transact any business for which a quorum existed at the commencement of such meeting until adjournment, notwithstanding the withdrawal of enough shareholders to leave less than a quorum.

SECTION 2.06. Adjournments . The chairman of the meeting or the shareholders, by the affirmative vote of the holders of a majority of the voting power of the shares of capital stock entitled to vote thereat, who are present in person or by proxy, may adjourn the meeting from time to time whether or not a quorum is present (or, in the case of specified business to be voted on by a class or series, the chairman of the meeting or the shareholders, by the affirmative vote of the holders of a majority of the voting power of the outstanding shares of such class or series so represented, may adjourn the meeting with respect to such specified business). At any such adjourned meeting at which a quorum may be present, any business may be transacted which might have been transacted at the meeting as originally called.

SECTION 2.07. Order of Business; Shareholder Proposals .

(a) At each meeting of the shareholders, the Chairman of the Board or, in the absence of the Chairman of the Board, the President of the Corporation (the " **President** ") or, in the absence of the Chairman of the Board and the President, such person as shall be selected by the Board or the executive committee of the Board, shall act as chairman of the meeting. The order of business at each such meeting shall be as determined by the chairman of the meeting. The chairman of the meeting shall have the right and authority to prescribe such rules, regulations and procedures and to do all such acts and things as are necessary or desirable for the proper conduct of the meeting, including, without limitation, the establishment of procedures for the maintenance of order and safety, limitations on the time allotted to questions or comments on the affairs of the Corporation, restrictions on entry to such meeting after the time prescribed for the commencement thereof and the opening and closing of the voting polls.

(b) At any annual meeting of the shareholders, only such business shall be conducted as shall have been brought before the annual meeting (i) by or at the direction of the chairman of the meeting or (ii) by any shareholder who is a holder of record at the time of the giving of the notice provided for in this Section 2.07, who is entitled to vote at the meeting and who complies with the procedures set forth in this Section 2.07.

(c) For business properly to be brought before an annual meeting of the shareholders by a shareholder, the shareholder must have given timely notice thereof in proper written form to the Secretary. To be timely, a shareholder's notice must be delivered to or mailed and received by the Secretary at the principal office of the Corporation not less than 90 days nor more than 120 days prior to the first anniversary of the date of the immediately preceding annual meeting; provided , however , that in the event that the date of the annual meeting is more than 30 days earlier or more than 60 days later than such anniversary date, notice by the shareholder to be timely must be so delivered or received not earlier than the 120th day prior to such annual meeting and not later than the close of business on the later of the 90th day prior to such annual meeting and the 10th day following the day on which public announcement of the date of such meeting is first made. In no event shall an adjournment or postponement of an annual meeting commence a new time period for the giving of a shareholder's notice as described in this Section 2.07. As used in these By-laws, " **public announcement** " shall mean disclosure (i) in a press release reported by the Dow Jones Newswire, Business Wire, Reuters Information Service or any similar or successor news wire service or (ii) in a communication distributed generally to shareholders and in a document publicly filed by the Corporation with the Securities and Exchange Commission (the " **SEC** ") pursuant to Sections 13, 14 or 15(d) of the Exchange Act or any successor provisions thereto.

(d) To be in proper written form, a shareholder's notice to the Secretary or a Special Meeting Demand shall set forth in writing as to each matter the shareholder proposes to bring before the annual meeting or, in the case of a Special Meeting Demand, a special meeting:

(1) the name and address of each shareholder proposing such business, as they appear on the Corporation's books;

(2) as to each shareholder proposing such business, the name and address of (i) any other beneficial owner of stock of the Corporation that are owned by such shareholder and (ii) any person that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, the shareholder or such beneficial owner (each, a " **Shareholder Associated Person** ");

(3) as to each shareholder proposing such business and any Shareholder Associated Person, (i) the class or series and number of shares of stock directly or indirectly held of record and beneficially by the shareholder proposing such business or Shareholder Associated Person, (ii) the date such shares of stock were acquired, (iii) a description of any agreement, arrangement or understanding, direct or indirect, with respect to such business between or among the shareholder proposing such business, any Shareholder Associated Person or any others (including their names) acting in concert with any of the foregoing, (iv) a description of any agreement, arrangement or understanding (including any derivative or short positions, profit interests, options, hedging transactions and borrowed or loaned shares) that has been entered into, directly or indirectly, as of the date of such shareholder's notice or Special Meeting Demand by, or on behalf of, the shareholder proposing such business or any Shareholder Associated Person, the effect or intent of which is to mitigate loss to, manage risk or benefit of share price changes for, or increase or decrease the voting power of the shareholder proposing such business or any Shareholder Associated Person with respect to shares of stock of the Corporation (a " **Derivative** "), (v) a description in reasonable

detail of any proxy (including revocable proxies), contract, arrangement, understanding or other relationship pursuant to which the shareholder proposing such business or Shareholder Associated Person has a right to vote any shares of stock of the Corporation, (vi) any rights to dividends on the stock of the Corporation owned beneficially by the shareholder proposing such business or Shareholder Associated Person that are separated or separable from the underlying stock of the Corporation, (vii) any proportionate interest in stock of the Corporation or Derivatives held, directly or indirectly, by a general or limited partnership in which the shareholder proposing such business or Shareholder Associated Person is a general partner or, directly or indirectly, beneficially owns an interest in a general partner and (viii) any performance-related fees (other than an asset-based fee) that the shareholder proposing such business or Shareholder Associated Person is entitled to based on any increase or decrease in the value of stock of the Corporation or Derivatives thereof, if any, as of the date of such notice or Special Meeting Demand (the information specified in Section 2.07(d)(1) to (3) is referred to herein as " **Shareholder Information** ");

(4) a representation that each such shareholder is a holder of record of stock of the Corporation entitled to vote at the meeting and intends to appear in person or by proxy at the meeting to propose such business;

(5) a brief description of the business desired to be brought before the annual meeting or, in the case of a Special Meeting Demand, a special meeting, the text of the proposal (including the text of any resolutions proposed for consideration and, in the event that such business includes a proposal to amend these By-laws, the text of the proposed amendment) and the reasons for conducting such business at the meeting;

(6) any material interest of the shareholder and any Shareholder Associated Person in such business;

(7) a representation as to whether such shareholder intends (i) to deliver a proxy statement and form of proxy to holders of at least the percentage of the Corporation's outstanding capital stock required to approve or adopt such business or (ii) otherwise to solicit proxies from the shareholders in support of such business;

(8) all other information that would be required to be filed with the SEC if the shareholder or any Shareholder Associated Person were participants in a solicitation subject to Section 14 of the Exchange Act; and

(9) a representation that the shareholder shall provide any other information reasonably requested by the Corporation.

(e) Such shareholders providing the notice or Special Meeting Demand shall also provide any other information reasonably requested by the Corporation within five business days after such request.

(f) In addition, such shareholders shall further update and supplement the information provided to the Corporation in the notice, Special Meeting Demand, or upon the Corporation's request pursuant to Section 2.07(e) as needed, so that such information shall be true and correct as of the record date for the meeting and as of the date that is the later of 10 business days before the meeting or any adjournment or postponement thereof. Such update and supplement must be delivered personally or mailed to, and received at the principal office of the Corporation, addressed to the Secretary, by no later than five business days after the record date for the meeting (in the case of the update and supplement required to be made as of the record date), and not later than seven business days before the date for the meeting (in the case of the update and supplement required to be made as of 10 business days before the meeting or any adjournment or postponement thereof).

(g) The foregoing notice requirements shall be deemed satisfied by a shareholder for an annual meeting if the shareholder has notified the Corporation of his or her intention to present a proposal at an annual meeting and such shareholder's proposal has been included in a proxy statement that has been prepared by management of the Corporation to solicit proxies for such annual meeting; provided , however , that if such shareholder does not appear or send a qualified representative to present such proposal at such annual meeting, the Corporation need not present such proposal for a vote at such meeting, notwithstanding that proxies in respect of such vote may have been received by the Corporation; and provided , further , that the foregoing shall not imply any obligation beyond that required by applicable law to include a shareholder's proposal in a proxy statement prepared by management of the Corporation. Notwithstanding anything in these By-laws to the

contrary, no business shall be conducted at any annual meeting except in accordance with the procedures set forth in this Section 2.07.

(h) The chairman of an annual meeting may refuse to permit any business to be brought before an annual meeting that fails to comply with this Section 2.07 or, in the case of a shareholder proposal, if the shareholder solicits proxies in support of such shareholder's proposal without having made the representation required by Section 2.07(d)(7).

(i) The provisions of this Section 2.07 shall govern all business related to shareholder proposals at the annual meeting of the shareholders; provided that business related to the election or nomination of directors shall be governed by the provisions of Section 3.03 and not by this Section 2.07.

SECTION 2.08. List of Shareholders . It shall be the duty of the Secretary or other officer who has charge of the stock ledger to prepare and make, at least five days before each meeting of the shareholders, a complete list of the shareholders entitled to notice thereof, arranged, subject to applicable law, in alphabetical order by voting group (and within each voting group by class or series of shares), and showing the address of each shareholder and the number of shares registered in such shareholder's name. Such list shall be produced and kept available at the times and places required by law.

SECTION 2.09. Voting .

(a) Except as otherwise provided by law or by the Articles, each shareholder of record of any series of Preferred Stock shall be entitled at each meeting of the shareholders to such number of votes, if any, for each share of such stock as may be fixed in the Articles or in the resolution or resolutions adopted by the Board providing for the issuance of such stock, and each shareholder of record of Common Stock shall be entitled at each meeting of the shareholders to one vote for each share of such stock, in each case, registered in such shareholder's name on the books of the Corporation:

(1) on the date fixed pursuant to Section 7.06 as the record date for the determination of shareholders entitled to vote at such meeting; or

(2) if no such record date shall have been so fixed, then at the close of business on the day immediately before the day on which notice of such meeting is given, or, if notice is waived, at the close of business on the day immediately before the day on which the meeting is held.

(b) Each shareholder entitled to vote at any meeting of the shareholders may authorize a person to act for such shareholder by proxy. Any such proxy shall be delivered to the secretary of such meeting at or prior to the time designated for holding such meeting, but in any event not later than the time designated in the order of business for so delivering such proxies. No such proxy shall be voted or acted upon after 11 months from its date, unless the proxy provides for a longer period.

(c) Except as otherwise required by law and except as otherwise provided in the Articles or these By-laws, at each meeting of the shareholders, all corporate actions to be taken by vote of the shareholders shall be authorized by a majority of the votes cast by the shareholders entitled to vote thereon who are present in person or by proxy, and where a separate vote by class or series is required, a majority of the votes cast by the shareholders of such class or series who are present in person or by proxy shall be the act of such class or series.

(d) Unless required by law or determined by the chairman of the meeting to be advisable, the vote on any matter, including the election of directors, need not be by written ballot. Any written ballot shall be signed by the shareholder voting, or by such shareholder's proxy, and shall state the number of shares voted.

SECTION 2.10. Inspectors . The chairman of the meeting shall appoint one or more inspectors to act at any meeting of the shareholders. Such inspectors shall perform such duties as shall be required by law or specified by the chairman of the meeting. Inspectors need not be shareholders. No director or nominee for the office of director shall be appointed such inspector.

ARTICLE III

Board of Directors

SECTION 3.01. General Powers . The business and affairs of the Corporation shall be managed by or under the direction of the Board, which may exercise all such powers of the Corporation and do all such lawful acts and things as are not by law or by the Articles directed or required to be exercised or done by the shareholders.

SECTION 3.02. Number, Term of Office, Qualification and Election .

(a) Number of Directors . Subject to the rights of holders of any outstanding series of Preferred Stock with respect to the election of directors, the number of directors of the Corporation shall be fixed from time to time by resolution adopted by the Board; provided , however , that a vote of the shareholders is required to increase or decrease the number of directors by more than 30% from the number last fixed by the shareholders. However, no decrease in the number of directors constituting the Board shall shorten the term of any incumbent director. Directors of the Corporation need not be shareholders.

(b) Term of Office . Directors, other than any who may be elected by the holders of any series of Preferred Stock pursuant to the provisions set forth in the Articles, shall hold office until the next annual meeting of the shareholders and until each of their successors shall have been duly elected and qualified.

(c) Director Qualification . Unless the Board determines otherwise, to be eligible to be a nominee for election or reelection as a director, a person must deliver (in accordance with the time periods prescribed for delivery of notice by the Board) to the Secretary at the principal office of the Corporation a written questionnaire with respect to the background and qualification of such person and the background of any other person or entity on whose behalf the nomination is being made (which questionnaire shall be provided by the Secretary upon written request) and a written representation and agreement (in the form provided by the Secretary upon written request) that such person (A) is not and will not become a party to (i) any agreement, arrangement or understanding with, and has not given any commitment or assurance to, any person or entity as to how such person will act or vote as a director on any issue or question (a " **Voting Commitment** ") that has not been disclosed to the Corporation or (ii) any Voting Commitment that could limit or interfere with such person's ability to comply with such person's fiduciary duties as a director under applicable law, (B) is not and will not become a party to any agreement, arrangement or understanding with any person or entity other than the Corporation with respect to any direct or indirect compensation, reimbursement or indemnification in connection with service or action as a director that has not been disclosed therein and (C) in such person's individual capacity and on behalf of any person or entity on whose behalf the nomination is being made, would be in compliance, and will comply with all applicable publicly disclosed corporate governance, conflict of interest, confidentiality and stock ownership and trading and other policies and guidelines of the Corporation that are applicable to directors.

(d) Election . Directors shall be elected in the manner provided in the Articles.

SECTION 3.03. Notification of Nominations .

(a) Subject to the rights of the holders of any outstanding series of Preferred Stock, nominations for the election of directors may be made by (1) the Board or (2) by any shareholder who is a shareholder of record at the time of giving of the notice of nomination provided for in this Section 3.03 and who is entitled to vote for the election of directors.

(b) Subject to the rights of the holders of any outstanding series of Preferred Stock, any shareholder of record entitled to vote for the election of directors at a meeting may nominate persons for election as directors only if timely written notice of such shareholder's intent to make such nomination is given in proper written form to the Secretary. To be timely, a shareholder's notice must be delivered to or mailed and received by the Secretary at the principal office of the Corporation (i) with respect to an election to be held at an annual meeting of the shareholders, not less than 90 days nor more than 120 days prior to the first anniversary of the date of the immediately preceding annual meeting; provided , however , that in the event that the date of the annual meeting is more than 30 days earlier or more than 60 days later than such anniversary date, notice by the shareholder to be timely must be so delivered or received not earlier than the 120th day prior to such annual meeting and not later than the close of business on the later of the 90th day prior to such annual meeting and the 10th day following the day on which public announcement of the date of such meeting is first made; and (ii) with respect to an election to be held at a special meeting of the shareholders for the election of directors, not earlier than the 90th day prior to such special meeting and not later than the close of business on the later of the 60th day prior to such special meeting and the

10th day following the day on which public announcement is first made of the date of the special meeting and of the nominees to be elected at such meeting. In no event shall an adjournment or postponement, or public announcement of an adjournment or postponement, of an annual or special meeting commence a new time period (or extend any time period) for the giving of a shareholder's notice as described in this Section 3.03.

(c) Each such notice shall set forth:

(1) the Shareholder Information with respect to such shareholder and any Shareholder Associated Persons and the name and address of the person or persons to be nominated;

(2) a representation that the shareholder is a holder of record of stock of the Corporation entitled to vote in the election of directors and intends to appear in person or by proxy at the meeting to nominate the person or persons specified in the notice;

(3) a description of all arrangements or understandings between the shareholder and each nominee and any other person or persons (naming such person or persons) pursuant to which the nomination or nominations are to be made by the shareholder;

(4) a description of all direct and indirect compensation and other material monetary agreements, arrangements and understandings during the past three years, and any other material relationships, between or among the shareholder and any Shareholder Associated Person or any of their respective affiliates or associates or other parties with whom they are acting in concert, including all information that would be required to be disclosed pursuant to Rule 404 promulgated under Regulation S-K if the shareholder, Shareholder Associated Person or any person acting in concert therewith, were the "registrant" for purposes of such rule and each nominee were a director or executive of such registrant;

(5) such other information regarding each nominee proposed by such shareholder and Shareholder Associated Persons as would have been required to be included in a proxy statement filed pursuant to the proxy rules of the Securities and Exchange Commission had each nominee been nominated, or intended to be nominated, by the Board and a completed signed questionnaire, representation and agreement required by Section 3.02(c);

(6) a representation as to whether such shareholder intends (a) to deliver a proxy statement and form of proxy to holders of at least the percentage of the Corporation's outstanding capital stock required to approve the nomination or (b) otherwise to solicit proxies from shareholders in support of such nomination;

(7) a representation that the shareholders shall provide any other information reasonably requested by the Corporation; and

(8) the executed written consent of each nominee to serve as a director of the Corporation if so elected;

(d) Such shareholders shall also provide any other information reasonably requested by the Corporation within five business days after such request.

(e) In addition, such shareholders shall further update and supplement the information provided to the Corporation in the notice of nomination or upon the Corporation's request pursuant to Section 3.03(d) as needed, so that such information shall be true and correct as of the record date for the meeting and as of the date that is 10 business days before the meeting or any adjournment or postponement thereof. Such update and supplement must be delivered personally or mailed to, and received at the principal office of the Corporation, addressed to the Secretary, by no later than five business days after the record date for the meeting (in the case of the update and supplement required to be made as of the record date), and not later than seven business days before the date for the meeting (in the case of the update and supplement required to be made as of 10 business days before the meeting or any adjournment or postponement thereof).

(f) The chairman of the meeting may refuse to acknowledge the nomination of any person not made in compliance with the foregoing procedure or if the shareholder solicits proxies in favor of such shareholder's nominee(s) without having made the representations required by Section 3.03(c)(6).

(g) If such shareholder does not appear or send a qualified representative to present such proposal at such meeting, the Corporation need not present such proposal for a vote at such meeting, notwithstanding that proxies in respect of such vote may have been received by the Corporation.

(h) Subject to the rights of the holders of any outstanding series of Preferred Stock, only such persons who are nominated in accordance with the procedures set forth in this Section 3.03 shall be eligible to serve as directors of the Corporation.

(i) Notwithstanding anything in this Section 3.03 to the contrary, in the event that the number of directors to be elected to the Board at an annual meeting of the shareholders is increased and there is no public announcement naming all of the nominees for directors or specifying the size of the increased Board made by the Corporation at least 90 days prior to the first anniversary of the date of the immediately preceding annual meeting, a shareholder's notice required by this Section 3.03 shall also be considered timely, but only with respect to nominees for any new positions created by such increase, if it shall be delivered to or mailed to and received by the Secretary at the principal office of the Corporation not later than the close of business on the 10th day following the day on which such public announcement is first made by the Corporation.

SECTION 3.04. Quorum and Manner of Acting . Except as otherwise provided by law, the Articles or these By-laws, (i) a majority of the Whole Board (as defined below) shall constitute a quorum for the transaction of business at any meeting of the Board, and (ii) the affirmative vote of a majority of the directors present at any meeting at which a quorum is present shall be the act of the Board. The chairman of the meeting or a majority of the directors present may adjourn the meeting to another time and place whether or not a quorum is present. When a meeting is adjourned to another time or place (whether or not a quorum is present), notice need not be given of the adjourned meeting if the time and place thereof are announced at the meeting at which the adjournment is taken. At any adjourned meeting at which a quorum is present, any business may be transacted which might have been transacted at the meeting as originally called. The term " **Whole Board** " shall mean the total number of authorized directors pursuant to Section 3.02(a), whether or not there exist any vacancies on the Board.

SECTION 3.05. Place of Meetings . Subject to Sections 3.06 and 3.07, the Board may hold its meetings at such place or places within or outside of the Commonwealth of Kentucky as the Board may from time to time determine or as shall be specified or fixed in the respective notices or waivers of notice thereof.

SECTION 3.06. Regular Meetings . As soon as practicable after each annual election of directors, the Board shall meet for the purpose of organization and the transaction of other business. Regular meetings of the Board shall be held at such times as the Board shall from time to time determine, at such locations as the Board may determine.

SECTION 3.07. Special Meetings . Special meetings of the Board shall be held whenever called by the Chairman of the Board, the President or by a majority of directors then in office, and shall be held at such place, on such date and at such time as he, she or they, as applicable, shall fix.

SECTION 3.08. Notice of Meetings . Notice of regular meetings of the Board or of any adjourned meeting thereof need not be given. Notice of each special meeting of the Board shall be given by overnight delivery service or mailed to each director, in either case addressed to such director at such director's residence or usual place of business, at least two days before the day on which the meeting is to be held or shall be sent to such director at such place by telecopy or by electronic transmission or shall be given personally or by telephone, not later than two days before the meeting is to be held, but notice need not be given to any director who shall, either before or after the meeting, submit a signed written waiver of such notice or who shall attend such meeting without protesting at the beginning of the meeting (or promptly upon such director's arrival) the lack of notice to such director.

SECTION 3.09. Rules and Regulations . The Board may adopt such rules and regulations not inconsistent with the provisions of law, the Articles or these By-laws for the conduct of its meetings and management of the affairs of the Corporation as the Board may deem proper.

SECTION 3.10. Participation in Meeting by Means of Communications Equipment . Any one or more members of the Board or any committee thereof may participate in any meeting of the Board or of any such committee by means of conference telephone or other communications equipment by means of which all persons participating in the meeting can hear each other or as otherwise permitted by law, and such participation in a meeting shall constitute presence in person at such meeting.

SECTION 3.11. Action Without Meeting . Any action required or permitted to be taken at any meeting of the Board or any committee thereof may be taken without a meeting if all of the members of the Board or of any such committee consent thereto in a signed writing describing the action to be taken and, if required by law, the writing or writings are filed with the minutes or proceedings of the Board or of such committee.

SECTION 3.12. Resignations . Any director of the Corporation may at any time resign by delivering written notice to the Board, the Chairman of the Board or the Corporation. Such resignation shall take effect at the time specified therein or, if the time be not specified therein, upon receipt thereof, and the acceptance of such resignation shall not be necessary to make it effective.

SECTION 3.13. Removal . Directors may only be removed in accordance with and in the manner provided in the Articles.

SECTION 3.14. Compensation . Each director, in consideration of such person serving as a director, shall be entitled to receive from the Corporation such amount per annum and such fees for attendance at meetings of the Board or of committees of the Board, or both, as the Board or a committee thereof shall from time to time determine. In addition, each director shall be entitled to receive from the Corporation reimbursement for the reasonable expenses incurred by such person in connection with the performance of such person's duties as a director. Nothing contained in this Section 3.14 shall preclude any director from serving the Corporation or any of its subsidiaries in any other capacity and receiving compensation therefor.

ARTICLE IV

Committees of the Board of Directors

SECTION 4.01. Establishment of Committees of the Board . The Board shall designate such committees as may be required by the rules of the New York Stock Exchange (or any other principal United States exchange upon which the shares of the Corporation may be listed) and may from time to time, by resolution adopted by a majority of the Board, designate other committees of the Board (including an executive committee), with such lawfully delegable powers and duties as it thereby confers, to serve at the pleasure of the Board and shall, for those committees and any others provided for herein, elect a director or directors to serve as the member or members, designating, if it desires, other directors as alternate members who may replace any absent or disqualified member at any meeting of the committee.

SECTION 4.02. Conduct of Business . Any committee, to the extent allowed by law and provided in the resolution establishing such committee or the charter of such committee, shall have and may exercise all the duly delegated powers and authority of the Board in the management of the business and affairs of the Corporation. The Board shall have the power to prescribe the manner in which proceedings of any such committee shall be conducted. In the absence of any such prescription, any such committee shall have the power to prescribe the manner in which its proceedings shall be conducted. Unless the Board or such committee shall otherwise provide, regular and special meetings and other actions of any such committee shall be governed by the provisions of Article III applicable to meetings and actions of the Board. Each committee shall keep regular minutes and report on its actions to the Board.

ARTICLE V

Officers

SECTION 5.01. Number; Term of Office .

(a) The officers of the Corporation shall be determined by the Board and, to the extent provided in Section 5.01(c), the Chairman of the Board, and may include a Chairman of the Board, a Chief Executive Officer, a President, one or more Vice Presidents (including, without limitation, Senior Vice Presidents) and a Treasurer, Secretary and Controller and such other officers and agents as the Board may appoint from time to time, each to have such authority, functions or duties as these By-laws provide or as may be delegated or assigned to such officer, from time to time, by the Board, the Chairman of the Board or the President. One person may hold the offices and perform the duties of any two or more of said officers; provided , however , that no officer shall execute, acknowledge or verify any instrument in more than one capacity if such instrument is required by law, the Articles or these By-laws to be executed, acknowledged or verified by two or more officers.

The Board may require any officer or agent to give security for the faithful performance of such person's duties. The Board shall designate which of the officers shall be executive officers of the Corporation.

(b) Each officer shall be appointed by the Board at its annual meeting and hold office until the next annual meeting of the Board and until the officer's successor is appointed or until the officer's earlier death, resignation or removal in the manner hereinafter provided. If additional officers are appointed by the Board during the year, each of them shall hold office until the next annual meeting of the Board at which officers are regularly appointed and until the officer's successor is appointed or until the officer's earlier death, resignation or removal in the manner hereinafter provided.

(c) In addition to the foregoing, the Chairman of the Board, by written designation filed with the Secretary, may appoint one or more Vice Presidents, Assistant Secretaries, Assistant Treasurers, Assistant Controllers and Assistant Auditors of the Corporation. If appointed during the year, each of them shall hold office until the next annual meeting of the Board at which officers are regularly appointed and until the officer's successor is appointed or until the officer's earlier death, resignation or removal in the manner hereinafter provided. Subject to the authority of the Board, the Chairman of the Board shall also have authority to fix the salary of such officer.

SECTION 5.02. Resignation; Removal; Vacancies . Any officer may resign at any time by delivering written notice to the Corporation, and such resignation shall be effective when the notice is delivered, unless the notice specifies a later effective date. All officers and agents appointed shall be subject to removal at any time by the Board with or without cause. All appointed officers may be removed at any time by the Chairman of the Board acting jointly with the President or any Executive or Senior Vice President, by written designation filed with the Secretary. A vacancy in any office may be filled for the unexpired portion of the term in the same manner as provided for appointment to such office.

SECTION 5.03. Chairman of the Board . The Chairman of the Board, if present, shall preside at all meetings of the shareholders and the Board. If designated by Board resolution, the Chairman of the Board shall be Chief Executive Officer of the Corporation, and if so designated, shall be vested with executive control and management of the business and affairs of the Corporation and have the direction of all other officers, agents and employees. The Chairman of the Board shall perform all such other duties as are incident to the office or as may be properly required of the Chairman of the Board by the Board, subject in all matters to the control of the Board.

SECTION 5.04. President . The President, in the absence of the Chairman of the Board, shall preside at all meetings of the shareholders and the Board. If designated by Board resolution, the President shall be Chief Executive Officer of the Corporation, and if so designated, shall be vested with executive control and management of the business and affairs of the Corporation and have the direction of all other officers, agents and employees. The President shall have such powers, authority and duties as may be delegated or assigned to the President from time to time by the Board or the Chairman of the Board.

SECTION 5.05. Vice Presidents . The Executive Vice Presidents, Senior Vice Presidents, Administrative Vice Presidents and Vice Presidents shall have such powers, authority and duties as may be delegated or assigned to them from time to time by the Board, the Chairman of the Board or the President. An Administrative Vice President or Vice President need not be an officer of the Corporation and shall not be deemed an officer of the Corporation unless designated as such by the Board, the Chairman of the Board or the President.

SECTION 5.06. Treasurer . The Treasurer shall have custody and control of the funds and securities of the Corporation and shall perform all such other duties as are incident to the office of the Treasurer or that may be properly required of the Treasurer by the Board, the Chairman of the Board or the President.

SECTION 5.07. Controller . The Controller shall maintain adequate records of all assets, liabilities and transactions of the Corporation; shall see that adequate audits thereof are currently and regularly made; shall have general supervision of the preparation of the Corporation's balance sheets, income accounts and other financial statements or records; and shall perform such other duties as shall, from time to time, be assigned to him, by the Board, the Chairman of the Board or the President. Unless otherwise provided by the Board, the Chairman of the Board or the President, these duties and powers shall extend to all subsidiary corporations and, so far as the Board, the Chairman of the Board or the President may deem practicable, to all affiliated corporations.

SECTION 5.08. Secretary . The Secretary shall attend to the giving and serving of all notices required by law or these By-laws, shall be the custodian of the corporate seal and shall affix and attest the same to all papers requiring it; shall have responsibility for preparing minutes of the meetings of the Board and shareholders; shall have responsibility for

authenticating records of the Corporation; and shall in general perform all the duties incident to the office of the Secretary, subject in all matters to the control of the Board.

SECTION 5.09. Auditor . The Auditor shall review the accounting, financial and related operations of the Corporation and shall be responsible for measuring the effectiveness of various controls established for the Corporation. The Auditor's duties shall include, without limitation, the appraisal of procedures, verifying the extent of compliance with formal controls and the prevention and detection of fraud or dishonesty and such other duties as shall, from time to time, be assigned to the Auditor by the Board, the Chairman of the Board or the President. Unless otherwise provided by the Board, the Chairman of the Board or the President, these duties and powers shall extend to all subsidiary corporations and, so far as the Board, the Chairman of the Board or the President may deem practicable, to all affiliated corporations.

SECTION 5.10. Assistant Treasurers, Assistant Controllers and Assistant Secretaries . Any Assistant Treasurers, Assistant Controllers and Assistant Secretaries shall perform such duties as shall be assigned to them by the Board or by the Treasurer, Controller or Secretary, respectively, or by the Chief Executive Officer.

SECTION 5.11. General Provision . The powers, authorities and duties established pursuant to this Article V may be delegated or assigned, directly or indirectly, by the Board, the Chairman of the Board or the President, as the case may be.

ARTICLE VI

Indemnification

SECTION 6.01. Right to Indemnification . The Corporation, to the fullest extent permitted or required by the KBCA or other applicable law, as the same exists or may hereafter be amended (but, in the case of any such amendment and unless applicable law otherwise requires, only to the extent that such amendment permits the Corporation to provide broader indemnification rights than such law permitted the Corporation to provide prior to such amendment), shall indemnify and hold harmless any person who is or was a director or officer of the Corporation and who is or was involved in any manner (including, without limitation, as a party or a witness) or is threatened to be made so involved in any threatened, pending or completed investigation, claim, action, suit or proceeding, whether civil, criminal, administrative or investigative (including, without limitation, any action, suit or proceedings by or in the right of the Corporation to procure a judgment in its favor) (a " **Proceeding** ") by reason of the fact that such person is or was a director, officer, employee or agent of the Corporation, or is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise (including, without limitation, any employee benefit plan) (a **"Covered Entity"**) against all expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by such person in connection with such Proceeding; provided , however , that, except as required by law, the foregoing shall not apply to a director or officer of the Corporation with respect to a Proceeding that was commenced by such director or officer unless the proceeding was commenced after a Change in Control (as defined below). Any director or officer of the Corporation entitled to indemnification as provided in this Section 6.01 is hereinafter called an " **Indemnitee** ". Any right of an Indemnitee to indemnification shall be a contract right and shall, unless determined by the Corporation to not be in its best interest, include the right to receive payment in advance of any expenses incurred by the Indemnitee in connection with such Proceeding, consistent with the provisions of the KBCA or other applicable law, as the same exists or may hereafter be amended (but, in the case of any such amendment and unless applicable law otherwise requires, only to the extent that such amendment permits the Corporation to provide broader rights to payment of expenses than such law permitted the Corporation to provide prior to such amendment), and the other provisions of this Article VI; provided that, if required by law or by the Corporation in its discretion, the Corporation receive an undertaking to repay such amount if it is ultimately determined that the Indemnitee is not entitled to be indemnified.

For purposes of this Section 6.01, "Change in Control" means the occurrence of any of the following: (i) any merger or consolidation of the Corporation in which the Corporation is not the continuing or surviving corporation or pursuant to which shares of the Corporation's Common Stock would be converted into cash, securities or other property, other than a merger of the Corporation in which the holders of the Corporation's Common Stock immediately prior to the merger have the same proportionate ownership of common stock of the surviving corporation immediately after the merger, (ii) any sale, lease, exchange or other transfer (in one transaction or a series of related transactions) of all, or substantially all, the assets of the Corporation, or the liquidation or dissolution of the Corporation or (iii) individuals who would constitute a majority of the members of the Board elected at any meeting of shareholders or by written consent (without regard to any members of the Board elected pursuant to the terms of any series of Preferred Stock) shall be elected to the Board and the

election or the nomination for election by the shareholders of such directors was not approved by a vote of at least two-thirds of the directors in office immediately prior to such election.

SECTION 6.02. Insurance, Contracts and Funding . The Corporation may purchase and maintain insurance to protect itself and any director, officer, employee or agent of the Corporation or of any Covered Entity against any expenses, judgments, fines and amounts paid in settlement as specified in Section 6.01 of this Article VI or incurred by any such director, officer, employee or agent in connection with any Proceeding referred to in Section 6.01 of this Article VI, whether or not the Corporation would have the power to indemnify such person against such expense, liability or loss under the KBCA. The Corporation may enter into contracts with any director, officer, employee or agent of the Corporation or of any Covered Entity in furtherance of the provisions of this Article VI and may create a trust fund, grant a security interest or use other means (including, without limitation, a letter of credit) to ensure the payment of such amounts as may be necessary to effect indemnification as provided or authorized in this Article VI.

SECTION 6.03. Indemnification Not Exclusive Right . The right of indemnification provided in this Article VI shall not be exclusive of any other rights to which an Indemnitee may otherwise be entitled, and the provisions of this Article VI shall inure to the benefit of the heirs and legal representatives of any Indemnitee under this Article VI and shall be applicable to Proceedings commenced or continuing after the adoption of this Article VI, whether arising from acts or omissions occurring before or after such adoption.

SECTION 6.04. Severability . If any provision or provisions of this Article VI shall be held to be invalid, illegal or unenforceable for any reason whatsoever: (a) the validity, legality and enforceability of the remaining provisions of this Article VI (including, without limitation, all portions of any paragraph of this Article VI containing any such provision held to be invalid, illegal or unenforceable, that are not themselves invalid, illegal or unenforceable) shall not in any way be affected or impaired thereby; and (b) to the fullest extent possible, the provisions of this Article VI (including, without limitation, all portions of any paragraph of this Article VI containing any such provision held to be invalid, illegal or unenforceable, that are not themselves invalid, illegal or enforceable) shall be construed so as to give effect to the intent manifested by the provision held invalid, illegal or unenforceable.

SECTION 6.05. Indemnification of Employees Serving as Directors . The Corporation, to the fullest extent of the provisions of this Article VI with respect to the indemnification of directors and officers of the Corporation, may indemnify any person who is or was an employee of the Corporation or of any entity in which the Corporation, directly or indirectly, has an interest and who is or was involved in any manner (including, without limitation, as a party or a witness) or is threatened to be made so involved in any threatened, pending or completed Proceeding by reason of the fact that such employee is or was serving (a) as a director of a corporation in which the Corporation had at the time of such service, directly or indirectly, a 50% or greater equity interest (a " **Subsidiary Director** ") or (b) at the written request of an Authorized Officer, as a director of another corporation in which the Corporation had at the time of such service, directly or indirectly, a less than 50% equity interest (or no equity interest at all) or in a capacity equivalent to that of a director for any partnership, joint venture, trust or other enterprise (including, without limitation, any employee benefit plan) in which the Corporation has an interest (a " **Requested Employee** "), against all expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by such Subsidiary Director or Requested Employee in connection with such Proceeding. The Corporation, to the fullest extent of the provisions of this Article VI with respect to the advancement of expenses of directors and officers of the Corporation, may also advance expenses incurred by any such Subsidiary Director or Requested Employee in connection with any such Proceeding, consistent with the provisions of this Article VI with respect to the advancement of expenses of directors and officers of the Corporation.

For purposes of this Section 6.05, "Authorized Officer" means any one of the Chairman of the Board, the Chief Executive Officer, the President, the Chief Operating Officer, the Chief Financial Officer, any Vice President that is an officer of the Corporation or the Secretary.

SECTION 6.06. Indemnification of Employees and Agents . Notwithstanding any other provision or provisions of this Article VI, the Corporation, to the fullest extent of the provisions of this Article VI with respect to the indemnification of directors and officers of the Corporation, may indemnify any person other than a director or officer of the Corporation, a Subsidiary Director or a Requested Employee, who is or was an employee or agent of the Corporation or of any entity in which the Corporation, directly or indirectly, has an interest and who is or was involved in any manner (including, without limitation, as a party or a witness) or is threatened to be made so involved in any threatened, pending or completed Proceeding by reason of the fact that such person is or was a director, officer, employee or agent of the Corporation, a Covered Entity, or of any entity in which the Corporation, directly or indirectly, has an interest, against all expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by such person in connection with such Proceeding. The Corporation may also advance expenses incurred by such employee or

agent in connection with any such Proceeding, consistent with the provisions of this Article VI with respect to the advancement of expenses of directors and officers of the Corporation.

ARTICLE VII

Capital Stock

SECTION 7.01. Certificates for Shares and Uncertificated Shares .

(a) The shares of stock of the Corporation shall be uncertificated shares that may be evidenced by a book-entry system maintained by the registrar of such stock, or shall be represented by certificates, or a combination of both. To the extent that shares are represented by certificates, such certificates whenever authorized by the Board shall be in such form as shall be approved by the Board. The certificates representing shares of stock of each class shall be signed by, or in the name of, the Corporation by the Chairman of the Board, the President, or by any Vice President, and by the Secretary or any Assistant Secretary, and sealed with the seal of the Corporation, which may be a facsimile thereof. Any or all such signatures may be facsimiles if countersigned by a transfer agent or registrar. Although any officer, transfer agent or registrar whose manual or facsimile signature is affixed to such a certificate ceases to be such officer, transfer agent or registrar before such certificate has been issued, it may nevertheless be issued by the Corporation with the same effect as if such officer, transfer agent or registrar were still such at the date of its issue. In the event that the Corporation issues or transfers shares without certificates, within a reasonable time after such issuance or transfer, the Corporation shall send the shareholder a written statement of the information required by the KBCA to be stated on a share certificate.

(b) The stock ledger and blank share certificates, if any, shall be kept by the Secretary or by a transfer agent or by a registrar or by any other officer or agent designated by the Board.

SECTION 7.02. Transfer of Shares . Transfers of shares of stock of each class of the Corporation shall be made only on the books of the Corporation upon authorization by the registered holder thereof, or by such holder's attorney thereunto authorized by a power of attorney duly executed and filed with the Secretary or a transfer agent for such stock, if any, and if such shares are represented by a certificate, upon surrender of the certificate or certificates for such shares properly endorsed or accompanied by a duly executed stock transfer power (or by proper evidence of succession, assignment or authority to transfer) and the payment of any taxes thereon; provided , however , that the Corporation shall be entitled to recognize and enforce any lawful restriction on transfer. To the fullest extent permitted by law, the person in whose name shares are registered on the books of the Corporation shall be deemed the owner thereof for all purposes as regards the Corporation.

SECTION 7.03. Registered Shareholders and Addresses of Shareholders . The Corporation shall be entitled to recognize the exclusive right of a person registered on its records as the owner of shares of stock to receive dividends and to vote as such owner, shall be entitled to hold liable for calls and assessments a person registered on its records as the owner of shares of stock, and shall not be bound to recognize any equitable or other claim to or interest in such share or shares of stock on the part of any other person, whether or not it shall have express or other notice thereof, except as otherwise provided by the laws of Kentucky.

SECTION 7.04. Lost, Destroyed and Mutilated Certificates . The holder of any certificate representing any shares of stock of the Corporation shall immediately notify the Corporation of any loss, theft, destruction or mutilation of such certificate. The Corporation may issue to such holder a new certificate or certificates for shares, upon the surrender of the mutilated certificate or, in the case of loss, theft or destruction of the certificate, upon satisfactory proof of such loss, theft or destruction. The Board, or a committee designated thereby, or the transfer agents and registrars for the stock, may, in their discretion, require the owner of the lost, stolen or destroyed certificate, or such person's legal representative, to give the Corporation a bond in such sum and with such surety or sureties as they may direct to indemnify the Corporation and said transfer agents and registrars against any claim that may be made on account of the alleged loss, theft or destruction of any such certificate or the issuance of such new certificate.

SECTION 7.05. Regulations . The Board may make such additional rules and regulations as it may deem expedient concerning the issue, transfer and registration of certificated or uncertificated shares of stock of each class of the Corporation and may make such rules and take such action as it may deem expedient concerning the issue of certificates in lieu of certificates claimed to have been lost, destroyed, stolen or mutilated.

SECTION 7.06. Fixing Date for Determination of Shareholders of Record .

(a) In order that the Corporation may determine the shareholders entitled to notice of any meeting of the shareholders or any adjournment thereof, or entitled to receive payment of any dividend or other distribution or allotment of any rights, or entitled to exercise any rights in respect of any change, conversion or exchange of stock or for the purpose of any other lawful action, the Board may fix, in advance, a record date, which shall not be more than 70 nor less than 10 days before the date of such meeting nor more than 70 days prior to any such other action (as the case may be).

(b) A determination of shareholders entitled to notice of or to vote at a meeting of the shareholders shall apply to any adjournment of the meeting; provided , however , that the Board shall fix a new record date for the adjourned meeting if the meeting is adjourned to a date more than 120 days after the date fixed for the original meeting.

SECTION 7.07. Transfer Agents and Registrars . The Board may appoint, or authorize any officer or officers to appoint, one or more transfer agents and one or more registrars.

ARTICLE VIII

Miscellaneous

SECTION 8.01. Seal . The Board shall provide a suitable corporate seal, which shall bear, but not be limited to, the full name of the Corporation and shall be in the charge of the Secretary. The seal may be used by causing it or a facsimile thereof to be impressed or affixed or in any other manner reproduced.

SECTION 8.02. Fiscal Year . The fiscal year of the Corporation shall begin on the first day of October in each year.

SECTION 8.03. Waiver of Notice . Whenever any notice whatsoever is required to be given by these By-laws, by the Articles or by law, the person entitled thereto may, either before or after the meeting or other matter in respect of which such notice is to be given, waive such notice in a signed writing or as otherwise permitted by law, which shall be filed with or entered upon the minutes of the meeting or the corporate records kept with respect to such other matter, as the case may be, and in such event such notice need not be given to such person and such waiver shall be deemed equivalent to such notice. Neither the business nor the purpose of any meeting need be specified in such a waiver. Attendance at any meeting shall constitute waiver of notice other than in the case of attendance for the express purpose of objecting at the beginning of the meeting (or promptly upon such person's arrival) to the transaction of business because the meeting is not lawfully called or convened.

SECTION 8.04. Execution of Documents . The Board shall designate the officers, employees and agents of the Corporation who shall have power to execute and deliver deeds, contracts, mortgages, bonds, debentures, notes, checks, drafts and other orders for the payment of money and other documents for and in the name of the Corporation and may authorize (including authority to redelegate) to other officers, employees or agents of the Corporation. Such delegation may be by resolution or otherwise and the authority granted shall be general or confined to specific matters, all as the Board or any such committee may determine. In the absence of such designation, the officers of the Corporation shall have such power so referred to, to the extent incident to the normal performance of their duties.

SECTION 8.05. Deposits . All funds of the Corporation not otherwise employed shall be deposited from time to time to the credit of the Corporation or otherwise as the Board or any committee thereof or any officer of the Corporation to whom power in respect of financial operations shall have been delegated by the Board or any such committee or in these By-laws shall select.

SECTION 8.06. Checks . All checks, drafts and other orders for the payment of money out of the funds of the Corporation, and all notes or other evidences of indebtedness of the Corporation, shall be signed on behalf of the Corporation in such manner as shall from time to time be determined by resolution of the Board or of any committee thereof or by any officer of the Corporation to whom power in respect of financial operations shall have been delegated by the Board or any such committee thereof or as set forth in these By-laws.

SECTION 8.07. Proxies in Respect of Stock or Other Securities of Other Corporations . The Board shall designate the officers of the Corporation who shall have authority from time to time to appoint an agent or agents of the Corporation to exercise in the name and on behalf of the Corporation the powers and rights which the Corporation may have

as the holder of stock or other securities in any other corporation or other entity, and to vote or consent in respect of such stock or securities; such designated officers may instruct the person or persons so appointed as to the manner of exercising such powers and rights; and such designated officers may execute or cause to be executed in the name and on behalf of the Corporation and under its corporate seal, or otherwise, such written proxies, powers of attorney or other instruments as they may deem necessary or proper in order that the Corporation may exercise its said powers and rights.

SECTION 8.08. Subject to Law and the Articles of Incorporation . All powers, duties and responsibilities provided for in these By-laws, whether or not explicitly so qualified, are qualified by the provisions of the Articles and applicable law.

ARTICLE IX

Amendments

SECTION 9.01. Subject to the KBCA and the Articles, these By-laws may be altered, amended or repealed, in whole or in part, or new By-laws may be adopted by the Board at any meeting thereof; provided , however , that notice of such alteration, amendment, repeal or adoption of new By-laws is contained in the notice of such meeting of the Board and such notice is given not less than twenty-four hours prior to the meeting. Unless a higher percentage is required by the Articles, any such alteration, amendment, repeal or adoption of any By-law shall require approval by a majority of the Board. The shareholders of the Corporation shall have the power to alter, amend, repeal or adopt any By-law only to the extent and in the manner provided in the Articles and only to the extent permitted by law.

EXHIBIT 4.3

[Execution Version]

FIRST SUPPLEMENTAL INDENTURE

Dated as of September 26, 2016

VALVOLINE INC.,

THE GUARANTORS PARTY HERETO,

and

U.S. BANK NATIONAL ASSOCIATION,

as Trustee

FIRST SUPPLEMENTAL INDENTURE (this " First Supplemental Indenture "), dated as of September 26, 2016, among VALVOLINE INC., a Kentucky corporation (the " Company "), the entities listed on Schedule I hereto (each a " Subsidiary Guarantor "), and U.S. BANK NATIONAL ASSOCIATION, as trustee (the " Trustee ").

W I T N E S S E T H

WHEREAS, VALVOLINE FINCO TWO LLC., a Delaware limited liability company (" Finco Two "), and ASHLAND INC., a Kentucky corporation (" Ashland "), have heretofore executed and delivered to the Trustee an indenture (the " Indenture "), dated as of July 20, 2016, providing for the issuance of an unlimited aggregate principal amount of 5.500% Senior Notes due 2024 (the " Notes ");

WHEREAS, on the date hereof, pursuant to Section 271B.11-080 of the Kentucky Business Corporation Act, Finco Two merged with and into the Company (the " Merger "), with the Company as the surviving corporation;

WHEREAS, as a result of the Merger, the Company is assuming, by and under operation of law and this First Supplemental Indenture, the obligations of Finco Two for the due and punctual payment of the principal of, premium, if any, and interest (including Additional Interest, if any) on all the Notes and the performance and observance of the Indenture on the part of Finco Two;

WHEREAS, as a result of the Merger and in accordance with the Indenture, the Subsidiary Guarantors are, by and under this First Supplemental Indenture, unconditionally guaranteeing all of the Company's obligations under the Notes and the Indenture on the terms and conditions set forth herein and under the Indenture (the " Guarantees "); and

WHEREAS, pursuant to Sections 9.01 and 9.05 of the Indenture, the Trustee is authorized to execute and deliver this First Supplemental Indenture.

NOW THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt of which is hereby acknowledged, the parties hereto mutually covenant and agree for the equal and ratable benefit of the Holders of the Notes as follows:

1. Capitalized Terms . Capitalized terms used herein without definition shall have the meanings assigned to them in the Indenture.

2. Assumption by the Company . The Company hereby assumes the obligations of Finco Two for the due and punctual payment of the principal of, premium, if any, and interest on all Outstanding Notes issued pursuant to the Indenture and the performance and observance of each other obligation and covenant set forth in the Indenture to be performed or observed on the part of Finco Two. The Company is hereby substituted for, and may exercise every right and power of, Finco Two under the Indenture with the same effect as if the Company had been named as Finco Two in the Indenture, and the Company is a successor company under the Indenture.

3. Agreement to Guarantee . Each Subsidiary Guarantor hereby agrees as follows:

a. Such Subsidiary Guarantor hereby becomes a party to the Indenture as a Guarantor and as such will have all of the rights and be subject to all of the obligations and agreements of a Subsidiary Guarantor under the Indenture, subject to the terms and conditions set forth in the Indenture.

b. Such Subsidiary Guarantor agrees, on a joint and several basis with all the existing Subsidiary Guarantors, to fully, unconditionally and irrevocably Guarantee to each Holder of the Notes and the Trustee the Obligations in accordance with the terms set forth in Article X of the Indenture.

4. Release of Ashland Guarantee . Pursuant to Section 10.03 of the Indenture, effective as of the date hereof, Ashland is hereby fully and unconditionally released from the Ashland Guarantee, and shall have no further obligations in respect of the Ashland Guarantee, the Notes, or the Indenture.

5. No Personal Liability of Directors, Officers, Employees and Stockholders . No present, past or future director, officer, employee, member, partner, incorporator or equity holder of the Company, any Subsidiary Guarantor or any Subsidiary of the Company or any of their respective direct or indirect parent companies (except for the Company or any Subsidiary Guarantor in its capacity as obligor or guarantor in respect of the Notes and not in its capacity as equity holder of any Subsidiary Guarantor) shall have any liability for any obligations of the Company or the Subsidiary Guarantors under the Notes, the Guarantees, this First Supplemental Indenture or for any claim based on, in respect of, or by reason of such obligations or their creation.

6. Ratification of the Indenture; First Supplemental Indenture part of the Indenture . Except as expressly amended hereby, the Indenture is in all respects ratified and confirmed and all the terms, conditions and provisions thereof shall remain in full force and effect. This First Supplemental Indenture shall form a part of the Indenture for all purposes, and every Holder of Notes heretofore or hereafter authenticated and delivered shall be bound hereby. Each Subsidiary Guarantor agrees that its Guarantee shall remain in full force and effect notwithstanding the absence of the endorsement of any notation of such Guarantee on the Notes.

7. Governing Law . THIS FIRST SUPPLEMENTAL INDENTURE SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.

8. Counterparts . The parties may sign any number of copies of this First Supplemental Indenture. Each signed copy shall be an original, but all of them together represent the same agreement. The exchange of copies of this First Supplemental Indenture and of signature pages by facsimile or PDF transmission shall constitute effective execution and delivery of this First Supplemental Indenture as to the parties hereto and may be used in lieu of the original First Supplemental Indenture for all purposes. Signatures of the parties hereto transmitted by facsimile or PDF shall be deemed to be their original signatures for all purposes.

9. Effect of Headings . The Section headings of this First Supplemental Indenture have been inserted for convenience of reference only, are not intended to be considered a part hereof and shall not modify or restrict any of the terms or provisions hereof.

10. The Trustee . The Trustee shall not be responsible in any manner whatsoever for or in respect of the validity or sufficiency of this First Supplemental Indenture or for or in respect of the recitals contained herein, all of which recitals are made solely by the Company and the Subsidiary Guarantors.

11. Benefits Acknowledged . The Company and each Subsidiary Guarantor's Guarantee are subject to the terms and conditions set forth in the Indenture. Each of the Company and the Subsidiary Guarantors acknowledges that it will receive direct and indirect benefits from the financing arrangements contemplated by the Indenture and this First Supplemental Indenture and that the Guarantee and waivers made by it pursuant to its Guarantee and this First Supplemental Indenture and are knowingly made in contemplation of such benefits.

12. Successors . All agreements of the Company and the Subsidiary Guarantors in this First Supplemental Indenture shall bind its successors, except as otherwise provided in the Indenture (including without limitation Section 10.03 of the Indenture). All agreements of the Trustee in this First Supplemental Indenture shall bind its successors.

13. Severability . If any provision in this First Supplemental Indenture is deemed unenforceable, it shall not affect the validity or enforceability of any other provision set forth herein, or of this First Supplemental Indenture as a whole.

[*Remainder of page intentionally left blank*]

IN WITNESS WHEREOF, the parties hereto have caused this First Supplemental Indenture to be duly executed, all as of the date first above written.

VALVOLINE INC.

By: /s/ Lynn P. Freeman

Name: Lynn P. Freeman

Title: Assistant Treasurer

VALVOLINE US LLC

By: /s/ Lynn P. Freeman
Name: Lynn P. Freeman
Title: Vice President and Assistant Treasurer

VALVOLINE LLC

By: /s/ Lynn P. Freeman
Name: Lynn P. Freeman
Title: Vice President and Assistant Treasurer

VALVOLINE LICENSING AND
INTELLECTUAL PROPERTY LLC

By: /s/ Lynn P. Freeman
Name: Lynn P. Freeman
Title: Vice President and Assistant Treasurer

VALVOLINE BRANDED FINANCE, INC.

By: /s/ Lynn P. Freeman
Name: Lynn P. Freeman
Title: Vice President and Assistant Treasurer

VALVOLINE INTERNATIONAL HOLDINGS
INC.

By: /s/ Lynn P. Freeman
Name: Lynn P. Freeman
Title: Vice President and Assistant Treasurer

VALVOLINE INSTANT OIL CHANGE
FRANCHISING, INC.

By: /s/ Lynn P. Freeman
Name: Lynn P. Freeman
Title: Vice President and Assistant Treasurer

RELOCATION PROPERTIES MANAGEMENT
LLC

By: /s/ Lynn P. Freeman
Name: Lynn P. Freeman
Title: Vice President and Assistant Treasurer

VIOC FUNDING, INC.

By: /s/ Lynn P. Freeman
Name: Lynn P. Freeman
Title: Vice President and Assistant Treasurer

VALVOLINE INTERNATIONAL, INC.

By: /s/ Lynn P. Freeman
Name: Lynn P. Freeman
Title: Vice President and Assistant Treasurer

FUNDING CORP. I

By: /s/ Lynn P. Freeman
Name: Lynn P. Freeman
Title: Vice President and Assistant Treasurer

OCH INTERNATIONAL, INC.

By: /s/ Lynn P. Freeman
Name: Lynn P. Freeman
Title: Vice President and Assistant Treasurer

OCHI ADVERTISING FUND LLC

By: /s/ Lynn P. Freeman
Name: Lynn P. Freeman
Title: Vice President and Assistant Treasurer

OCHI HOLDINGS LLC

By: /s/ Lynn P. Freeman
Name: Lynn P. Freeman
Title: Vice President and Assistant Treasurer

OCHI HOLDINGS II LLC

By: /s/ Lynn P. Freeman
Name: Lynn P. Freeman
Title: Vice President and Assistant Treasurer

U.S. BANK NATIONAL ASSOCIATION, as
Trustee

By: /s/ William E. Sicking

William E. Sicking
Vice President & Trust Officer

SCHEDULE I

Subsidiary Guarantors

Valvoline US LLC
Valvoline LLC
Valvoline Licensing and Intellectual Property LLC
Valvoline Branded Finance, Inc.
Valvoline International Holdings Inc.
Valvoline Instant Oil Change Franchising, Inc.
Relocation Properties Management LLC
VIOC Funding, Inc.
Valvoline International, Inc.
Funding Corp. I
OCH International, Inc.
OCHI Advertising Fund LLC
OCHI Holdings LLC
OCHI Holdings II LLC

EXHIBIT 4.4

[Execution]

Valvoline Inc.

$375,000,000

5.500% Senior Notes due 2024

REGISTRATION RIGHTS AGREEMENT

Dated September 26, 2016

REGISTRATION RIGHTS AGREEMENT

September 26, 2016

Citigroup Global Markets Inc.
as Representative of the several Initial Purchasers
388 Greenwich Street
New York, New York 10013

Ladies and Gentlemen:

This Registration Rights Agreement (this " Agreement ") is made and entered into as of September 26, 2016, among Valvoline Inc., a Kentucky corporation (" Valvoline "), the subsidiaries (each, a " Guarantor " and collectively, the " Guarantors " and together with Valvoline, the " Company ") listed on Schedule I to the First Supplemental Indenture (defined below) and Citigroup Global Markets Inc. (the " Representative "), as representative of the several Initial Purchasers (the " Initial Purchasers ") listed on Schedule A to the Purchase Agreement (as defined below), each of whom has purchased the $375,000,000 aggregate principal amount of 5.500% Senior Notes due 2024 (the " Notes ") of Valvoline Finco Two LLC, a Delaware limited liability company (" Finco "). Ashland Inc., a Kentucky corporation (" Ashland "), is the initial guarantor of the Notes pursuant to the indenture, dated as of July 20, 2016 (the " Initial Indenture ") among Finco, Ashland and U.S. Bank National Association, as trustee (the " Trustee ").

This Agreement is made pursuant to the Purchase Agreement, dated July 13, 2016 (the " Purchase Agreement "), among Finco, Ashland and the Representative and in connection with the Assumption of the obligations of Finco under the Notes by the Company under the First Supplemental Indenture, dated September 26, 2016, among Valvoline, the Guarantors and the Trustee (the " First Supplemental Indenture ", and together with the Initial Indenture, the " Indenture "). Capitalized terms used but not defined herein have the meanings assigned to them in the Purchase Agreement.

The parties hereby agree as follows:

SECTION 1. *Definitions* . As used in this Agreement, the following capitalized terms shall have the following meanings:

Additional Interest: As defined in Section 5 hereof.

Additional Interest Payment Date: With respect to the Transfer Restricted Securities, each Interest Payment Date.

Advice: As defined in Section 6(c) hereof.

Agreement: As defined in the preamble hereto.

Ashland: As defined in the preamble hereto.

Broker-Dealer: Any broker or dealer registered under the Exchange Act.

Business Day: Any day other than a Saturday, Sunday or a day on which commercial banking institutions are required to be closed in the State of New York.

Commission: The Securities and Exchange Commission.

Company: As defined in the preamble hereto.

Consummate: A registered Exchange Offer shall be deemed "Consummated" for purposes of this Agreement upon the occurrence of (i) the filing and effectiveness under the Securities Act of the Exchange Offer Registration Statement relating to the Exchange Securities to be issued in the Exchange Offer, (ii) the maintenance of such Registration Statement continuously effective and the keeping of the Exchange Offer open for a period not less than the minimum period required pursuant to Section 3(b) hereof, and (iii) the delivery by the Company to the Registrar under the Indenture of Exchange Securities in the same aggregate principal amount as the aggregate principal amount of Transfer Restricted Securities that were tendered by Holders thereof pursuant to the Exchange Offer.

Exchange Act: The Securities Exchange Act of 1934, as amended.

Exchange Date: As defined in Section 3(a) hereof.

Exchange Offer: The offer by the Company to the Holders of all outstanding Transfer Restricted Securities of the opportunity to exchange all such outstanding Transfer Restricted Securities held by such Holders for Exchange Securities in an aggregate principal amount equal to the aggregate principal amount of the Transfer Restricted Securities tendered in such exchange offer by such Holders, such exchange offer being the subject of a Registration Statement of the Company registering the Exchange Securities under the Securities Act.

Exchange Offer Registration Statement: The Registration Statement relating to the Exchange Offer, including the related Prospectus.

Exchange Offer Suspension Period: As defined in Section 3(c) hereof.

Exchange Securities: The 5.500% Senior Notes due 2024, of the same series under the Indenture as the Transfer Restricted Securities, to be issued to Holders in exchange for Transfer Restricted Securities pursuant to this Agreement.

Finco: As defined in the preamble hereto.

FINRA: Financial Industry Regulatory Authority, Inc.

First Supplemental Indenture: As defined in the preamble hereto.

Guarantors: As defined in the preamble hereto.

Guarantees: As defined in the preamble hereto.

Holders: As defined in Section 2(b) hereof.

Indemnified Holder: As defined in Section 8(a) hereof.

Indenture: The Initial Indenture, as supplemented and amended by the First Supplemental Indenture.

Initial Indenture: As defined in the preamble hereto.

Initial Placement: The issuance and sale by Finco of the Securities to the Initial Purchasers pursuant to the Purchase Agreement.

Initial Purchaser: As defined in the preamble hereto.

Interest Payment Date: As defined in the Indenture and the Securities.

Notes: As defined in the preamble hereto.

Person: An individual, corporation, partnership, limited liability company, joint venture, association, joint-stock company, trust, unincorporated organization, government or any agency or political subdivision thereof or any other entity.

Prospectus: The prospectus included in a Registration Statement, as amended or supplemented by all amendments thereto, including post-effective amendments, and all material incorporated by reference into such Prospectus.

Purchase Agreement: As defined in the preamble hereto.

Registrar: As defined in the Indenture.

Registration Default: As defined in Section 5 hereof.

Registration Statement: Any registration statement of the Company relating to (a) an offering of Exchange Securities pursuant to an Exchange Offer or (b) the registration for resale of Transfer Restricted Securities pursuant to the Shelf Registration Statement, which is filed pursuant to the provisions of this Agreement, in each case, including the Prospectus included therein, all amendments and supplements thereto (including post-effective amendments) and all exhibits and material incorporated by reference therein.

Representative: As defined in the preamble hereto.

Securities: The Notes issued and sold to the Initial Purchasers, and any securities issued in exchange therefor or in lieu thereof pursuant to the Indenture. The Notes are entitled to the benefit of the Guarantees provided for in the Indenture and unless the context otherwise requires, any reference herein to the "Securities," the "Exchange Securities" or the "Transfer Restricted Securities" shall include a reference to the related Guarantees.

Securities Act: The Securities Act of 1933, as amended.

Shelf Filing Deadline: As defined in Section 4(a) hereof.

Shelf Registration Statement: As defined in Section 4(a) hereof.

Shelf Suspension Period: As defined in Section 4(a) hereof.

Transfer Restricted Securities: The Notes; *provided* that the Notes shall cease to be Transfer Restricted Securities on the earliest to occur of (i) the date on which a Registration Statement with respect to such Notes has become effective under the Securities Act and such Notes have been exchanged in the Exchange Offer or disposed of pursuant to such Registration Statement or (ii) the date on which such Notes cease to be outstanding.

Trust Indenture Act: The Trust Indenture Act of 1939, as amended.

Trustee: As defined in the preamble hereto.

Underwritten Registration or Underwritten Offering: A registration in which securities of the Company are sold to an underwriter for reoffering to the public.

Valvoline: As defined in the preamble hereto.

SECTION 2. *Securities Subject to this Agreement* .

(a) *Transfer Restricted Securities.* The securities entitled to the benefits of this Agreement are the Transfer Restricted Securities.

(b) *Holders of Transfer Restricted Securities.* A Person is deemed to be a holder of Transfer Restricted Securities (each, a " Holder ") whenever such Person owns Transfer Restricted Securities.

SECTION 3. *Registered Exchange Offer* .

(a) Unless the Exchange Offer shall not be permissible under applicable law or Commission policy (after the procedures set forth in Section 6(a) hereof have been complied with), or there are no Transfer Restricted Securities outstanding, the Company shall (i) use its commercially reasonable efforts to cause to be filed with the Commission a Registration Statement under the Securities Act relating to the Exchange Securities and the Exchange Offer, (ii) use its commercially reasonable efforts to cause such Registration Statement to become effective, (iii) in connection with the foregoing, (A) file all pre-effective amendments to such Registration Statement as may be necessary in order to cause such Registration Statement to become effective, (B) if applicable, file a post-effective amendment to such Registration Statement pursuant to Rule 430A under the Securities Act and (C) cause all necessary filings in connection with the registration and qualification of the Exchange Securities to be made under the state securities or blue sky laws of such jurisdictions as are necessary to permit Consummation of the Exchange Offer, and (iv) promptly following the effectiveness of such Registration Statement, commence the Exchange Offer. The Company shall use its commercially reasonable efforts to Consummate the Exchange Offer on or prior to December 31, 2017 (the " Exchange Date "). If the Exchange Offer is required pursuant to this Section 3(a), the Exchange Offer Registration Statement shall be on the appropriate form permitting registration of the Exchange Securities to be offered in exchange for the Transfer Restricted Securities and to permit resales of Transfer Restricted Securities held by Broker-Dealers as contemplated by Section 3(c) hereof.

(b) If an Exchange Offer Registration Statement is required to be filed and is declared effective pursuant to Section 3(a) above, the Company shall use its commercially reasonable efforts to cause the Exchange Offer Registration Statement to be effective continuously until the Exchange Offer is Consummated and shall keep the Exchange Offer open for a period of not less than the minimum period required under applicable federal and state securities laws to Consummate the Exchange Offer; *provided, however* , that in no event shall such period be less than 20 days after the date notice of the Exchange Offer is mailed to the Holders. The Company shall cause the Exchange Offer to comply with all applicable federal and state securities laws. No securities other than the Exchange Securities shall be included in the Exchange Offer Registration Statement. The Company shall use its commercially reasonable efforts to cause the Exchange Offer to be Consummated by the Exchange Date.

(c) The Company shall indicate in a "Plan of Distribution" section contained in the Prospectus forming a part of the Exchange Offer Registration Statement that any Broker-Dealer who holds Transfer Restricted Securities that were acquired for its own account as a result of market-making activities or other trading activities (other than Transfer Restricted Securities acquired directly from the Company) may exchange such Transfer Restricted Securities pursuant to the Exchange Offer; however, such Broker-Dealer may be deemed to be an "underwriter" within the meaning of the Securities Act and must, therefore, deliver a prospectus meeting the requirements of the Securities Act in connection with any resales of the Exchange Securities received by such Broker-Dealer in the Exchange Offer, which prospectus delivery requirement may be satisfied by the delivery by such Broker-Dealer of the Prospectus contained in the Exchange Offer Registration Statement. Such "Plan of Distribution" section shall also contain all other information with respect to such resales by Broker-Dealers that the Commission may require in order to permit such resales pursuant thereto, but such "Plan of Distribution" shall not name any such Broker-Dealer or disclose the amount of Transfer Restricted Securities held by any such Broker-Dealer except to the extent required by the Commission.

The Company shall use its commercially reasonable efforts to keep the Exchange Offer Registration Statement continuously effective, supplemented and amended as required by the provisions of Section 6(c) hereof to the extent necessary to ensure that it is available for resales of Exchange Securities acquired by Broker-Dealers for their own accounts as a result of market-making activities or other trading activities, and to ensure that it conforms in all material respects with the requirements of this Agreement, the Securities Act and the policies, rules and regulations of the Commission as announced from time to time, for a period ending on the earlier of (i) 180 days from the date on which the Exchange Offer Registration Statement is declared effective and (ii) the date on which a Broker-Dealer is no longer required to deliver a prospectus in connection with market-making or other trading activities; *provided* that the Company, for a period of up to 60 days in any three-month period, not to exceed 90 days in any calendar year, shall be entitled to suspend its obligations under Section 6(c) and suspend the use of the Prospectus that is part of the Exchange Offer Registration Statement (any such period, an " Exchange Offer Suspension Period "), if there is a possible acquisition, disposition or business combination or other transaction, business development or event involving Valvoline or any of its subsidiaries that would require disclosure to be included or incorporated by reference in the Exchange Offer Registration Statement or Prospectus (and disclosure would not be required to be made at such time but for the use of such Exchange Offer Registration Statement or Prospectus) and the Company determines in the exercise of its reasonable judgment (and not for the purpose of avoidance of its obligations hereunder) that such disclosure is not in the best interest of Valvoline and its stockholders or would reasonably be expected to adversely affect in any material respect Valvoline or its business or Valvoline's ability to effect a planned or proposed acquisition, disposition, business combination or other similar transaction.

The Company shall provide sufficient copies of the latest version of such Prospectus to Broker-Dealers promptly upon request at any time during such 180-day (or shorter as provided in the foregoing sentence) period in order to facilitate such resales.

It is agreed that if the Exchange Offer required to be Consummated pursuant to this Agreement is not so Consummated by the Exchange Date, the only remedy to the Holders, except as provided in Section 4 hereof, after the Exchange Date will be Additional Interest as set forth in Section 5 hereof.

Notwithstanding anything in this Section 3 to the contrary, the requirements to file and keep effective the Exchange Offer Registration Statement and to make all other filings contemplated by this Section 3 and the requirements to Consummate the Exchange Offer shall terminate at the earliest to occur of such time as a Shelf Registration Statement required by Section 4(a)(ii) has been filed in accordance with Section 4 hereof with respect to all Transfer Restricted Securities for which information has been provided in accordance with Section 4(b) hereof, and such Shelf Registration Statement has been declared effective by the Commission.

SECTION 4. *Shelf Registration* .

(a) *Shelf Registration.* If (i) the Company is not required to file an Exchange Offer Registration Statement or to Consummate the Exchange Offer solely because the Exchange Offer is not permitted by applicable law or Commission policy (after the procedures set forth in Section 6(a) hereof have been complied with), (ii) for any reason the Exchange Offer is not Consummated by the Exchange Date, or (iii) (A) prior to the Exchange Date, the Initial Purchasers request from the Company with respect to Transfer Restricted Securities not eligible to be exchanged for Exchange Securities in the Exchange Offer, (B) with respect to any Holder of Transfer Restricted Securities such Holder notifies the Company that (1) such Holder is prohibited by applicable law or Commission policy from participating in the Exchange Offer, (2) such Holder notifies the Company within 30 days of the consummation of the Exchange Offer that such Holder may not resell the Exchange Securities acquired by it in the Exchange Offer to the public without delivering a prospectus and that the Prospectus contained in the Exchange Offer Registration Statement is not appropriate or available for such resales by such Holder, or (3) such Holder is a Broker-Dealer and holds Transfer Restricted Securities acquired directly from the Company or one of its affiliates, and requests from the Company with respect to such Securities or (C) prior to the Exchange Date, in the case of any Initial Purchaser, such Initial Purchaser notifies the Company it will not receive Exchange Securities in exchange

for Transfer Restricted Securities constituting any portion of such Initial Purchaser's unsold allotment, the Company shall:

(x) cause to be filed a shelf registration statement pursuant to Rule 415 under the Securities Act, which may be an amendment to the Exchange Offer Registration Statement (in either event, the " Shelf Registration Statement ") on or prior to the 30th day after the date such obligation arises (or if such 30th day is not a Business Day, the next succeeding Business Day) but no earlier than the Exchange Date (such date being the " Shelf Filing Deadline "), which Shelf Registration Statement shall provide for resales of all Transfer Restricted Securities the Holders of which shall have provided the information required pursuant to Section 4(b) hereof; and

(y) use its commercially reasonable efforts to cause such Shelf Registration Statement to be declared effective by the Commission on or before the 60th day after the Shelf Filing Deadline (or if such 60th day is not a Business Day, the next succeeding Business Day).

The Company shall use its commercially reasonable efforts to keep such Shelf Registration Statement continuously effective, supplemented and amended as required by the provisions of Sections 6(b) and (c) hereof to the extent necessary to ensure that it is available for resales of Transfer Restricted Securities by the Holders of such Securities entitled to the benefit of this Section 4(a), and to ensure that it conforms in all material respects with the requirements of this Agreement, the Securities Act and the policies, rules and regulations of the Commission as announced from time to time, from the date on which the Shelf Registration Statement is declared effective by the Commission until the first anniversary of such effective date (or such shorter period that will terminate when all the Transfer Restricted Securities covered by such Shelf Registration Statement have been sold pursuant to such Shelf Registration Statement); *provided* that the Company, for a period of up to 60 days in any three-month period, not to exceed 90 days in any calendar year, shall be entitled to suspend its obligations under Section 6(b) and (c) and suspend the use of the Prospectus that is part of the Shelf Registration Statement (any such period, a " Shelf Suspension Period "), if there is a possible acquisition, disposition or business combination or other transaction, business development or event involving Valvoline or any of its subsidiaries that would require disclosure to be included or incorporated by reference in the Shelf Registration Statement or Prospectus (and disclosure would not be required to be made at such time but for the use of such Shelf Registration Statement or Prospectus) and the Company determines in the exercise of its reasonable judgment (and not for the purpose of avoidance of its obligations hereunder) that such disclosure is not in the best interest of Valvoline and its stockholders or would reasonably be expected to adversely affect in any material respect Valvoline or its business or Valvoline's ability to effect a planned or proposed acquisition, disposition, business combination or other similar transaction. It is agreed that if a Shelf Registration Statement is required to be filed and effective pursuant to this Agreement and is not so filed and effective after the Shelf Filing Deadline, the only remedy to the Holders after the Shelf Filing Deadline will be Additional Interest as set forth in Section 5 hereof. Notwithstanding anything in this Agreement to the contrary, the requirements to file a Shelf Registration Statement and to use its commercially reasonable efforts to cause such Shelf Registration Statement to become effective and remain effective shall terminate where such requirements were the result of the circumstances described under Section 4(a)(ii) hereof, at such time as the Exchange Offer is Consummated.

(b) *Provision by Holders of Certain Information in Connection with the Shelf Registration Statement.* No Holder of Transfer Restricted Securities may include any of its Transfer Restricted Securities in any Shelf Registration Statement pursuant to this Agreement unless and until such Holder furnishes to the Company in writing, within 20 Business Days after receipt of a request therefor, such information as the Company may reasonably request for use in connection with any Shelf Registration Statement or Prospectus or preliminary Prospectus included therein. Each Holder as to which any Shelf Registration Statement is being effected agrees to furnish promptly to the Company all information required to be disclosed in order to make the information previously furnished to the Company by such Holder not materially misleading.

SECTION 5. *Additional Interest.* If either (i) the Exchange Offer, if required hereby, has not been Consummated on or prior to the Exchange Date, (ii) any Shelf Registration Statement, if required hereby, has not

been declared effective by the Commission by the time provided in this Agreement, or (iii) any Registration Statement required by this Agreement has been declared effective but ceases to be effective at any time at which it is required to be effective under this Agreement other than during an Exchange Offer Suspension Period or a Shelf Suspension Period (each such event referred to in clauses (i) through (iii), a " Registration Default "), the Company hereby agrees that the interest rate borne by the affected Transfer Restricted Securities shall be increased by 0.25% per annum during the 90-day period immediately following the occurrence of any Registration Default and shall increase by 0.25% per annum at the end of each subsequent 90-day period during which such Registration Default continues (such increase, " Additional Interest "), but in no event shall the amount of Additional Interest on any Transfer Restricted Securities exceed 0.50% per annum. At the cure of all Registration Defaults relating to the particular Transfer Restricted Securities the interest rate borne by the relevant Transfer Restricted Securities will be reduced to the original interest rate borne by such Transfer Restricted Securities; *provided, however,* that, if after any such reduction in interest rate, a different Registration Default occurs, the interest rate borne by the relevant Transfer Restricted Securities shall again be increased pursuant to the foregoing provisions; and *provided further* that notwithstanding anything in this Agreement to the contrary, a Registration Default shall be deemed cured (among other circumstances under which it may be cured) at such time as the requirement to Consummate the Exchange Offer or the requirement that a Shelf Registration Statement be declared effective or remain effective, as applicable, terminates in a manner provided in this Agreement.

All obligations of the Company set forth in the preceding paragraph that are outstanding with respect to any Transfer Restricted Security at the time such security ceases to be a Transfer Restricted Security shall survive until such time as all such obligations with respect to such security shall have been satisfied in full.

SECTION 6. *Registration Procedures* .

(a) *Exchange Offer Registration Statement.* In connection with the Exchange Offer, if required pursuant to Section 3(a) hereof, the Company shall comply with all of the provisions of Section 6(c) hereof, shall use its commercially reasonable efforts to effect such exchange to permit the sale of Transfer Restricted Securities being sold in accordance with the intended method or methods of distribution thereof, and shall comply with all of the following provisions:

(i) If in the reasonable opinion of counsel to the Company there is a question as to whether the Exchange Offer is permitted by applicable law, the Company hereby agrees to use its commercially reasonable efforts to seek a no-action letter or other favorable decision from the Commission allowing the Company to Consummate an Exchange Offer for such Transfer Restricted Securities. The Company hereby agrees to pursue the issuance of such a decision to the Commission staff level but shall not be required to take commercially unreasonable action to effect a change of Commission policy. Subject to the immediately preceding two sentences, the Company hereby agrees, however, to (A) participate in telephonic conferences with the Commission, (B) deliver to the Commission staff an analysis prepared by counsel to the Company setting forth the legal bases, if any, upon which such counsel has concluded that such an Exchange Offer should be permitted and (C) diligently pursue a favorable resolution by the Commission staff of such submission.

(ii) As a condition to its participation in the Exchange Offer pursuant to the terms of this Agreement, each Holder of Transfer Restricted Securities shall furnish, upon the request of the Company, prior to the Consummation thereof, a written representation to the Company (which may be contained in the letter of transmittal contemplated by the Exchange Offer Registration Statement) to the effect that (A) it is not an affiliate (within the meaning of Rule 405 under the Securities Act) of the Company, (B) it is not engaged in, and does not intend to engage in, and has no arrangement or understanding with any Person to participate in, a distribution of the Exchange Securities to be issued in the Exchange Offer and (C) it is acquiring the Exchange Securities in its ordinary course of business. In addition, all such Holders of Transfer Restricted Securities shall otherwise cooperate in the Company's preparations for the Exchange Offer. Each Holder shall acknowledge and agree that any Broker-Dealer and any such Holder using the Exchange Offer to participate in a distribution of the securities to be acquired in the Exchange Offer

(1) could not under Commission policy as in effect on the date of this Agreement rely on the position of the Commission enunciated in Morgan Stanley and Co., Inc. (available June 5, 1991) and Exxon Capital Holdings Corporation (available May 13, 1988), as interpreted in the Commission's letter to Shearman & Sterling LLP, dated July 2, 1993, and similar no-action letters (which may include any no-action letter obtained pursuant to clause (i) above) and the Commission's Compliance and Disclosure Interpretations, and (2) must comply with the registration and prospectus delivery requirements of the Securities Act in connection with a secondary resale transaction and that such a secondary resale transaction should be covered by an effective registration statement containing the selling security holder information required by Item 507 or 508, as applicable, of Regulation S-K under the Securities Act if the resales are of Exchange Securities obtained by such Holder in exchange for Transfer Restricted Securities acquired by such Holder directly from the Company.

(b) *Shelf Registration Statement.* If required pursuant to Section 4 hereof, in connection with the Shelf Registration Statement, the Company shall comply with all the provisions of Section 6(c) hereof and shall use its commercially reasonable efforts to effect such registration to permit the sale of the Transfer Restricted Securities being sold in accordance with the intended method or methods of distribution thereof, and pursuant thereto the Company will as expeditiously as is commercially reasonably practicable prepare and file with the Commission a Registration Statement relating to the registration on any appropriate form under the Securities Act, which form shall be available for the sale of the Transfer Restricted Securities in accordance with the intended method or methods of distribution thereof, in accordance with the provisions of Section 4 hereof.

(c) *General Provisions.* In connection with any Registration Statement and any related Prospectus required by this Agreement to permit the sale or resale of Transfer Restricted Securities (including, without limitation, any Registration Statement and the related Prospectus required to permit resales of Transfer Restricted Securities by Broker-Dealers), the Company shall:

(i) use its commercially reasonable efforts to keep such Registration Statement continuously effective and provide all requisite financial statements (it being understood that such financial statements shall be deemed provided to the extent filed with the Commission); upon the occurrence of any event that would cause any such Registration Statement or the Prospectus contained therein (A) to contain a material misstatement or omission or (B) not to be effective and usable for resale of Transfer Restricted Securities during the period required by this Agreement, the Company shall file promptly an appropriate amendment to such Registration Statement (or file with the Commission a document to be incorporated by reference into the Registration Statement), in the case of clause (A), correcting any such misstatement or omission, and, in the case of either clause (A) or (B), use its commercially reasonable efforts to cause such amendment to be declared effective and such Registration Statement and the related Prospectus to become usable for their intended purpose(s) as soon as practicable thereafter;

(ii) prepare and file with the Commission such amendments and post-effective amendments to the applicable Registration Statement as may be necessary to keep the Registration Statement effective for the applicable period set forth in Section 3 or 4 hereof, as applicable, or such shorter period as will terminate when all Transfer Restricted Securities covered by such Registration Statement have been sold; and comply with the provisions of the Securities Act with respect to the disposition of all securities covered by such Registration Statement during the applicable period in accordance with the intended method or methods of distribution by the sellers thereof set forth in such Registration Statement or supplement to the Prospectus;

(iii) in the case of a Shelf Registration Statement, advise the underwriter(s), if any, and selling Holders named in any Registration Statement promptly and, if requested by such Persons, confirm such advice in writing, (A) when the Prospectus or post-effective amendment has been filed, and, with respect to any Registration Statement or any post-effective amendment thereto, when the same has become effective, (B) of any request by the Commission for amendments to the Registration Statement or amendments or supplements to the Prospectus or for additional information relating thereto, (C) of the issuance by the Commission of any stop order suspending the effectiveness of the Registration Statement under the

Securities Act or of the suspension by any state securities commission of the qualification of the Transfer Restricted Securities for offering or sale in any jurisdiction, or the initiation of any proceeding for any of the preceding purposes, (D) of the existence of any fact or the happening of any event that makes any statement of a material fact made in the Registration Statement, the Prospectus any amendment or supplement thereto, untrue, or that requires the making of any additions to or changes in the Registration Statement or the Prospectus in order to make the statements therein not misleading. If at any time the Commission shall issue any stop order suspending the effectiveness of the Registration Statement, or any state securities commission or other regulatory authority shall issue an order suspending the qualification or exemption from qualification of the Transfer Restricted Securities under state securities or blue sky laws, the Company shall use its commercially reasonable efforts to obtain the withdrawal or lifting of such order at the earliest possible time;

(iv) in the case of a Shelf Registration Statement, furnish without charge to each of the Initial Purchasers, each selling Holder named in any Registration Statement, and each of the underwriter(s), if any, before filing with the Commission, copies of any Registration Statement or any Prospectus included therein or any amendments or supplements to any such Registration Statement or Prospectus (including all documents incorporated by reference after the initial filing of such Registration Statement, if not available on the Commission's Electronic Data Gathering, Analysis and Retrieval (EDGAR) system), which documents will be subject to the review and comment of such Holders and underwriter(s) in connection with such sale, if any, for a period of at least two Business Days, and the Company will not file any such Registration Statement or Prospectus or any amendment or supplement to any such Registration Statement or Prospectus (but shall not be required to amend any document previously filed with the Commission and incorporated by reference therein) to which an Initial Purchaser of Transfer Restricted Securities covered by such Registration Statement or the underwriter(s), if any, shall reasonably object in writing within two Business Days after the receipt thereof (such objection to be deemed timely made upon confirmation of telecopy transmission within such period). The objection of an Initial Purchaser or underwriter, if any, shall be deemed to be reasonable if such Registration Statement, amendment, Prospectus or supplement, as applicable, as proposed to be filed, contains a material misstatement or omission;

(v) in connection with an Underwritten Offering, make available at reasonable times for inspection by the Initial Purchasers and the managing underwriter(s), if any, participating in any disposition pursuant to such Registration Statement and any attorney or accountant retained by such Initial Purchasers or any of the underwriter(s), all financial and other records, pertinent corporate documents and properties of the Company reasonably requested to be made available and cause the Company's officers, directors and employees to supply all information reasonably requested by any such Holder, Initial Purchaser, underwriter, attorney or accountant in connection with such Registration Statement or any post-effective amendment thereto subsequent to the filing thereof and prior to its effectiveness and to participate in meetings with investors to the extent reasonably requested by the managing underwriter(s), if any;

(vi) in connection with an Underwritten Offering, if requested by any selling Holders or the underwriter(s), if any, promptly incorporate in any Registration Statement or Prospectus, pursuant to a supplement or post-effective amendment if necessary, such information as such selling Holders and underwriter(s), if any, may reasonably request to have included therein, including, without limitation, information relating to the "Plan of Distribution" of the Transfer Restricted Securities, information with respect to the principal amount of Transfer Restricted Securities being sold to such underwriter(s), the purchase price being paid therefor and any other terms of the offering of the Transfer Restricted Securities to be sold in such offering; and make all required filings of such post-effective amendment as soon as practicable after the Company is notified of the matters to be incorporated in such post-effective amendment;

(vii) in connection with an Underwritten Offering, cause the Transfer Restricted Securities covered by the Registration Statement to be rated, if not then rated, with the appropriate rating agencies, if so

requested by the Holders of a majority in aggregate principal amount of Securities covered thereby or the underwriter(s), if any;

(viii) in the case of a Shelf Registration Statement, furnish to each Initial Purchaser, each selling Holder and each of the underwriter(s), if any, without charge, at least one copy of the Registration Statement, as first filed with the Commission, and of each amendment thereto, including financial statements and schedules, (but without documents incorporated by reference therein and all exhibits thereto, unless requested);

(ix) in the case of a Shelf Registration Statement, deliver to each selling Holder and each of the underwriter(s), if any, without charge, as many copies of the Prospectus (including each preliminary Prospectus) and any amendment or supplement thereto as such Persons reasonably may request; the Company hereby consents to the use of the Prospectus and any amendment or supplement thereto by each of the selling Holders and each of the underwriter(s), if any, in connection with the offering and the sale of the Transfer Restricted Securities covered by the Prospectus or any amendment or supplement thereto;

(x) in the case of a Shelf Registration Statement, take all customary and appropriate actions (as determined in good faith by the Company) in order to expedite or facilitate the disposition of such Transfer Restricted Securities and if so requested by the Holders of such Transfer Restricted Securities in connection with any underwritten offering, enter into a customary underwriting agreement and:

(A) make such representations and warranties to the Holders of such Transfer Restricted Securities and the underwriters as the Company is able to make, in such form, substance and scope as are customarily made by issuers to underwriters in similar underwritten offerings as may be reasonably requested by them;

(B) obtain opinions of counsel to the Company covering the matters customarily covered in opinions and negative assurance letters, requested in sales of securities or underwritten offerings and such other matters as may be reasonably requested by such underwriters;

(C) obtain “cold comfort” letters and updates thereof from the Company’s independent certified public accountants (and, if necessary, any other independent certified public accountants of any subsidiary of the Company or of any business acquired by the Company for which financial statements are, or are required to be, included in the Registration Statement) addressed to the underwriters, such letters to be in customary form and covering matters of the type customarily covered in “cold comfort” letters to underwriters in connection with similar underwritten offerings;

(D) if an underwriting agreement is entered into, cause the same to set forth indemnification provisions and procedures substantially equivalent to the indemnification provisions and procedures set forth in Section 8 hereof with respect to the underwriters and all other parties to be indemnified pursuant to said Section or, at the request of any underwriters, in the form customarily provided to such underwriters in similar types of transactions; and

(E) deliver such documents and certificates as may be reasonably requested and as are customarily delivered in similar offerings to the managing underwriters, if any.

The above shall be done at the closing of an offering under any underwriting agreement as and to the extent required thereunder;

(xi) prior to any public offering of Transfer Restricted Securities, cooperate with the selling Holders, the underwriter(s), if any, and their respective counsel in connection with the registration and qualification of the Transfer Restricted Securities under the state securities or blue sky laws of such jurisdictions as the selling Holders or underwriter(s), if any, may reasonably request and do any and all

other acts or things reasonably necessary or advisable to enable the disposition in such jurisdictions of the Transfer Restricted Securities covered by the Shelf Registration Statement; *provided, however* , that the Company shall not be required to register or qualify as a foreign corporation where it is not then so qualified or to take any action that would subject it to the service of process in suits or to taxation, other than as to matters and transactions relating to the Registration Statement, in any jurisdiction where it is not then so subject;

(xii) issue, upon the request of any Holder of Transfer Restricted Securities covered by the Shelf Registration Statement, Exchange Securities having an aggregate principal amount equal to the aggregate principal amount of Transfer Restricted Securities, surrendered to the Company by such Holder in exchange therefor or being sold by such Holder; such Exchange Securities to be registered in the name of such Holder or in the name of the purchaser(s) of such Securities, as the case may be; in return, the Transfer Restricted Securities held by such Holder shall be surrendered to the Company for cancellation;

(xiii) cooperate with the selling Holders and the underwriter(s), if any, to facilitate the timely preparation and delivery of certificates representing Transfer Restricted Securities to be sold and not bearing any restrictive legends; and enable such Transfer Restricted Securities to be in such denominations and registered in such names as the Holders or the underwriter(s), if any, may request no later than three Business Days after written request made by such Holders or underwriter(s);

(xiv) use its commercially reasonable efforts to cause the Transfer Restricted Securities covered by the Registration Statement to be registered with or approved by such other governmental agencies or authorities as may be necessary to enable the seller or sellers thereof or the underwriter(s), if any, to consummate the disposition of such Transfer Restricted Securities, subject to the proviso contained in Section 6(c)(xi) hereof;

(xv) if any fact or event contemplated by Section 6(c)(iii)(D) hereof shall exist or have occurred, prepare a supplement or post-effective amendment to the Registration Statement or related Prospectus (or file with the Commission a document to be incorporated by reference into the Registration Statement) so that, as thereafter delivered to the purchasers of Transfer Restricted Securities, the Prospectus will not contain an untrue statement of a material fact or omit to state any material fact necessary in order to make the statements therein not misleading;

(xvi) provide a CUSIP number for all Securities not later than the effective date of the Registration Statement covering such Securities and provide the Trustee under the Indenture with certificates for such Securities which are in a form eligible for deposit with the Depository Trust Company and take all other action reasonably necessary to ensure that all such Securities are eligible for deposit with the Depository Trust Company;

(xvii) cooperate and assist in any filings required to be made with the FINRA and in the performance of any due diligence investigation by any underwriter (including any "qualified independent underwriter") that is required to be retained in accordance with the rules and regulations of the FINRA;

(xviii) otherwise use its commercially reasonable efforts to comply in all material respects with all applicable rules and regulations of the Commission, and make generally available to its security holders, as soon as practicable, a consolidated earnings statement covering at least 12 months (which need not be audited) and meeting the requirements of Rule 158 under the Securities Act;

(xix) cause the Indenture to be qualified under the Trust Indenture Act not later than the effective date of the first Registration Statement required by this Agreement, and, in connection therewith, cooperate with the Trustee and the Holders of Securities to effect such changes to the Indenture as may be required for such Indenture to be so qualified in accordance with the terms of the Trust Indenture Act; and to execute, and use its commercially reasonable efforts to cause the Trustee to execute, all documents that may be

required to effect such changes and all other forms and documents required to be filed with the Commission to enable such Indenture to be so qualified in a timely manner; and

(xx) in the case of a Shelf Registration Statement, cause all Securities covered by the Registration Statement to be listed on each securities exchange or automated quotation system on which the Securities are then listed if requested by the Holders of a majority in aggregate principal amount of Securities or the managing underwriter(s), if any.

Each Holder agrees by acquisition of a Transfer Restricted Security that, upon receipt of any notice from the Company of the existence of any fact of the kind described in Section 6(c)(iii)(D) hereof, such Holder will forthwith discontinue disposition of Transfer Restricted Securities pursuant to the applicable Registration Statement until such Holder's receipt of the copies of the supplemented or amended Prospectus contemplated by Section 6(c)(xv) hereof, or until it is advised in writing (the " Advice ") by the Company that the use of the Prospectus may be resumed, and has received copies of any additional or supplemental filings that are incorporated by reference in the Prospectus. If so directed by the Company, each Holder will deliver to the Company (at the Company's expense) all copies, other than permanent file copies then in such Holder's possession, of the Prospectus covering such Transfer Restricted Securities that was current at the time of receipt of such notice. In the event the Company shall give any such notice, the time period regarding the effectiveness of such Registration Statement set forth in Section 3 or 4 hereof, as applicable, shall be extended by the number of days during the period from and including the date of the giving of such notice pursuant to Section 6(c)(iii)(D) hereof to and including the date when each selling Holder covered by such Registration Statement shall have received the copies of the supplemented or amended Prospectus contemplated by Section 6(c)(xv) hereof or shall have received the Advice; *provided, however,* that no such extension shall be taken into account in determining whether Additional Interest is due pursuant to Section 5 hereof or the amount of such Additional Interest, it being agreed that the Company's determination to suspend use of a Registration Statement pursuant to this paragraph, if in excess of the Shelf Suspension Period or the Exchange Offer Suspension Period, as applicable, shall be treated as a Registration Default for purposes of Section 5 hereof.

SECTION 7. *Registration Expenses* .

(a) All expenses incident to the Company's performance of or compliance with this Agreement will be borne by the Company, regardless of whether a Registration Statement becomes effective, including, without limitation: (i) all registration and filing fees and expenses (including any required filings made by any Initial Purchaser or Holder with the FINRA); (ii) all fees and expenses of compliance with federal securities and state securities or blue sky laws; (iii) all expenses of printing (including printing certificates for the Exchange Securities to be issued in the Exchange Offer and printing of Prospectuses), messenger and delivery services and telephone; (iv) all fees and disbursements of counsel for the Company; (v) all application and filing fees in connection with listing the Exchange Securities on a securities exchange or automated quotation system pursuant to the requirements thereof; and (vi) all fees and disbursements of independent certified public accountants of the Company (including the expenses of any special audit and comfort letters required by or incident to such performance); but excluding underwriting discounts and commissions and transfer taxes, if any, relating to the sale or disposition of a Holder's Transfer Restricted Securities pursuant to the Shelf Registration Statement, which shall be the responsibility of each such Holder.

The Company will, in any event, bear its internal expenses (including, without limitation, all salaries and expenses of its officers and employees performing legal or accounting duties), the expenses of any annual audit and the fees and expenses of any Person, including special experts, retained by the Company.

(b) In connection with any Registration Statement required by this Agreement (including, without limitation, the Exchange Offer Registration Statement and the Shelf Registration Statement), the Company will reimburse the Initial Purchasers and the Holders of Transfer Restricted Securities being tendered in the Exchange Offer and/or resold pursuant to the "Plan of Distribution" contained in the Exchange Offer Registration Statement or registered pursuant to the Shelf Registration Statement, as applicable, for the reasonable fees and disbursements of not more than one counsel, who shall be Shearman & Sterling LLP or such other counsel as may be chosen by

the Holders of a majority in principal amount of the Transfer Restricted Securities for whose benefit such Registration Statement is being prepared.

SECTION 8. *Indemnification* .

(a) The Company agrees to indemnify and hold harmless (i) each Holder and (ii) each Person, if any, who controls (within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act) any Holder (any of the Persons referred to in this clause (ii) being hereinafter referred to as a " controlling person ") and (iii) the respective officers, directors, partners, employees, representatives and agents of any Holder or any controlling person (any Person referred to in clause (i), (ii) or (iii) may hereinafter be referred to as an " Indemnified Holder "), to the fullest extent lawful, from and against any and all losses, claims, damages, liabilities, judgments, actions and expenses (including, without limitation, and as incurred, reimbursement of all reasonable costs of investigating, preparing, pursuing, settling, compromising, paying or defending any claim or action, or any investigation or proceeding by any governmental agency or body, commenced or threatened, including the reasonable fees and expenses of counsel to any Indemnified Holder), that is directly or indirectly based upon, or arises out of or in connection with, any untrue statement or alleged untrue statement of a material fact contained in any Registration Statement or Prospectus (or any amendment or supplement thereto), or any omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, except insofar as such losses, claims, damages, liabilities or expenses are caused by an untrue statement or omission or alleged untrue statement or omission that is made in reliance upon and in conformity with information relating to any of the Holders furnished in writing to the Company by any of the Holders expressly for use therein. This indemnity agreement shall be in addition to any liability which the Company may otherwise have.

In case any action or proceeding (including any governmental or regulatory investigation or proceeding) shall be brought or asserted against any of the Indemnified Holders with respect to which indemnity may be sought against the Company, such Indemnified Holder (or the Indemnified Holder controlled by such controlling person) shall promptly notify the Company in writing; *provided, however,* that the failure to give such notice shall not relieve the Company of its obligations pursuant to this Agreement to the extent they are not prejudiced as a proximate result of such failure. In case any such action is brought against any Indemnified Holder and such Indemnified Holder seeks or intends to seek indemnity from the Company, the Company will be entitled to participate in and, to the extent that it shall elect, jointly with all other indemnifying parties similarly notified, by written notice delivered to the Indemnified Holder promptly after receiving the aforesaid notice from such Indemnified Holder, to assume the defense thereof with counsel reasonably satisfactory to such Indemnified Holder; *provided, however* , if the defendants in any such action include both an Indemnified Holder and the Company and such Indemnified Holder shall have reasonably concluded, based upon advice from counsel, that a conflict may arise between the positions of the Company and such Indemnified Holder in conducting the defense of any such action or that there may be legal defenses available to it and/or other Indemnified Holders which are different from or additional to those available to the Company such Indemnified Holder or Indemnified Holders shall have the right to select separate counsel, reasonably satisfactory to the Company to assume such legal defenses and to otherwise participate in the defense of such action on behalf of such Indemnified Holder or Indemnified Holders. Upon receipt of notice from the Company to such Indemnified Holder of the Company's election so to assume the defense of such action and approval by such Indemnified Holder of counsel, the Company will not be liable to such Indemnified Holder under this Section 8 for any legal or other expenses subsequently incurred by such Indemnified Holder in connection with the defense thereof unless (i) such Indemnified Holder shall have employed separate counsel in accordance with the proviso to the next preceding sentence (it being understood, however, that the Company shall not be liable for the expenses of more than one separate counsel (together with local counsel), approved by the Company, representing the Indemnified Holders who are parties to such action) or (ii) the Company shall not have employed counsel satisfactory to the Indemnified Holder to represent the Indemnified Holder within a reasonable time after notice of commencement of the action, in each of which cases the fees and expenses of counsel shall be at the expense of the Company. The Company shall be liable for any settlement of any such action or proceeding effected with the Company's prior written consent, which consent shall not be withheld unreasonably, and the Company agrees to indemnify and hold harmless any Indemnified Holder from and against any loss, claim, damage, liability or expense by reason of any settlement of any action effected with the written

consent of the Company. The Company shall not, without the prior written consent of each Indemnified Holder, settle or compromise or consent to the entry of judgment in or otherwise seek to terminate any pending or threatened action, claim, litigation or proceeding in respect of which indemnification or contribution may be sought hereunder (whether or not any Indemnified Holder is a party thereto), unless such settlement, compromise, consent or termination includes an unconditional release of each Indemnified Holder from all liability arising out of such action, claim, litigation or proceeding.

(b) Each Holder of Transfer Restricted Securities agrees, severally and not jointly, to indemnify and hold harmless the Company and respective directors and officers and any Person controlling (within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act) the Company, and the respective officers, directors, partners, employees, representatives and agents of each such Person, to the same extent as the foregoing indemnity from the Company to each of the Indemnified Holders, but only with respect to claims and actions based on information relating to such Holder furnished in writing by such Holder expressly for use in any Registration Statement. In case any action or proceeding shall be brought against the Company or its respective directors or officers or any such controlling person in respect of which indemnity may be sought against a Holder of Transfer Restricted Securities, such Holder shall have the rights and duties given the Company, and the Company, its respective directors and officers and such controlling person shall have the rights and duties given to each Holder, under the preceding paragraph.

(c) If the indemnification provided for in this Section 8 is unavailable to an indemnified party under Section 8(a) or (b) hereof (other than by reason of exceptions provided in those Sections) in respect of any losses, claims, damages, liabilities, judgments, actions or expenses referred to therein, then each applicable indemnifying party, in lieu of indemnifying such indemnified party, shall contribute to the amount paid or payable by such indemnified party as a result of such losses, claims, damages, liabilities or expenses in such proportion as is appropriate to reflect the relative fault of the Company, on the one hand, and the Holders, on the other hand, in connection with the statements or omissions which resulted in such losses, claims, damages, liabilities or expenses, as well as any other relevant equitable considerations. The relative fault of the Company, on the one hand, and of any Indemnified Holder, on the other hand, shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the Company, on the one hand, or such Indemnified Holder, on the other hand, and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission. The amount paid or payable by a party as a result of the losses, claims, damages, liabilities and expenses referred to above shall be deemed to include, subject to the limitations set forth in the second paragraph of Section 8(a) hereof, any legal or other fees or expenses reasonably incurred by such party in connection with investigating or defending any action or claim.

The Company and each Holder of Transfer Restricted Securities agree that it would not be just and equitable if contribution pursuant to this Section 8(c) were determined by pro rata allocation (even if the Holders were treated as one entity for such purpose) or by any other method of allocation which does not take account of the equitable considerations referred to in the immediately preceding paragraph. The amount paid or payable by an indemnified party as a result of the losses, claims, damages, liabilities or expenses referred to in the immediately preceding paragraph shall be deemed to include, subject to the limitations set forth above, any legal or other expenses reasonably incurred by such indemnified party in connection with investigating or defending any such action or claim. No Person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any Person who was not guilty of such fraudulent misrepresentation. The Holders' obligations to contribute pursuant to this Section 8(c) are several in proportion to the respective principal amount of Transfer Restricted Securities held by each of the Holders hereunder and not joint.

SECTION 9. *Rule 144A.*

The Company hereby agrees with each Holder, for so long as any Transfer Restricted Securities remain outstanding, if the Company is no longer required to file reports under the Exchange Act, it will make available

upon request to any Holder or beneficial owner of Transfer Restricted Securities in connection with any sale thereof and any prospective purchaser of such Transfer Restricted Securities from such Holder or beneficial owner, the information required by Rule 144A(d)(4) under the Securities Act in order to permit resales of such Transfer Restricted Securities pursuant to Rule 144A under the Securities Act.

SECTION 10. *Participation in Underwritten Registrations.*

No Holder may participate in any Underwritten Registration hereunder unless such Holder (a) agrees to sell such Holder's Transfer Restricted Securities on the basis provided in any underwriting arrangements approved by the Persons entitled hereunder to approve such arrangements and (b) completes and executes all reasonable questionnaires, powers of attorney, indemnities, underwriting agreements, lock-up letters and other documents required under the terms of such underwriting arrangements.

SECTION 11. *Selection of Underwriters: Underwritten Offerings.*

The Holders of Transfer Restricted Securities covered by the Shelf Registration Statement who desire to do so may sell such Transfer Restricted Securities in an Underwritten Offering. In any such Underwritten Offering, the investment banker(s) and managing underwriter(s) that will administer such offering will be selected by the Holders of a majority in aggregate principal amount of the Transfer Restricted Securities included in such offering; *provided, however* , that such investment banker(s) and managing underwriter(s) must be reasonably satisfactory to the Company.

SECTION 12. *Miscellaneous.*

(a) *Remedies.* The Company hereby agrees that monetary damages would not be adequate compensation for any loss incurred by reason of a breach by it of the provisions of this Agreement and hereby agrees to waive the defense in any action for specific performance that a remedy at law would be adequate.

(b) *No Inconsistent Agreements.* The Company will not on or after the date of this Agreement enter into any agreement with respect to its securities that is inconsistent with the rights granted to the Holders in this Agreement or otherwise conflicts with the provisions hereof. The rights granted to the Holders hereunder do not in any way conflict with and are not inconsistent with the rights granted to the holders of the Company's securities under any agreement in effect on the date hereof.

(c) [Reserved].

(d) *Amendments and Waivers.* The provisions of this Agreement may not be amended, modified or supplemented, and waivers or consents to or departures from the provisions hereof may not be given unless the Company has (i) in the case of Section 5 hereof and this Section 12(d)(i), obtained the written consent of Holders of all outstanding Transfer Restricted Securities and (ii) in the case of all other provisions hereof, obtained the written consent of Holders of a majority of the outstanding principal amount of Transfer Restricted Securities (excluding any Transfer Restricted Securities held by the Company or its affiliates). Notwithstanding the foregoing, a waiver or consent to departure from the provisions hereof that relates exclusively to the rights of Holders whose securities are being tendered pursuant to the Exchange Offer and that does not affect directly or indirectly the rights of other Holders whose securities are not being tendered pursuant to such Exchange Offer may be given by the Holders of a majority of the outstanding principal amount of Transfer Restricted Securities being tendered or registered; *provided, however,* that, with respect to any matter that directly or indirectly affects the rights of any Initial Purchaser hereunder, the Company shall obtain the written consent of each such Initial Purchaser with respect to which such amendment, qualification, supplement, waiver, consent or departure is to be effective.

(e) *Notices.* All notices and other communications provided for or permitted hereunder shall be made in writing by hand-delivery, first-class mail (registered or certified, return receipt requested) or air courier guaranteeing overnight delivery:

(i) if to a Holder, at the address set forth on the records of the Registrar under the Indenture, with a copy to the Registrar under the Indenture; and

(ii) if to the Company:

Valvoline Inc.
3499 Blazer Parkway
Lexington, Kentucky 40509
Attention: General Counsel

With a copy to:

Cravath, Swaine & Moore LLP
825 8 th Avenue
New York, New York 10019
Facsimile: (212) 474-3700
Attention: Andrew J. Pitts, Esq.

All such notices and communications shall be deemed to have been duly given: at the time delivered by hand, if personally delivered; five Business Days after being deposited in the mail, postage prepaid, if mailed; and on the next Business Day, if timely delivered to an air courier guaranteeing overnight delivery.

Copies of all such notices, demands or other communications shall be concurrently delivered by the Person giving the same to the Trustee at the address specified in the Indenture.

(f) *Successors and Assigns.* This Agreement shall inure to the benefit of and be binding upon the successors and assigns of each of the parties, including, without limitation, and without the need for an express assignment, subsequent Holders of Transfer Restricted Securities; *provided, however* , that this Agreement shall not inure to the benefit of or be binding upon a successor or assign of a Holder unless and to the extent such successor or assign acquired Transfer Restricted Securities from such Holder.

(g) *Counterparts.* This Agreement may be executed in any number of counterparts and by the parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement.

(h) *Headings.* The headings in this Agreement are for convenience of reference only and shall not limit or otherwise affect the meaning hereof.

(i) *Governing Law.* THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK.

(j) *Severability.* In the event that any one or more of the provisions contained herein, or the application thereof in any circumstance, is held invalid, illegal or unenforceable, the validity, legality and enforceability of any such provision in every other respect and of the remaining provisions contained herein shall not be affected or impaired thereby.

(k) *Entire Agreement.* This Agreement is intended by the parties as a final expression of their agreement and intended to be a complete and exclusive statement of the agreement and understanding of the parties hereto in respect of the subject matter contained herein. There are no restrictions, promises, warranties or undertakings, other than those set forth or referred to herein with respect to the registration rights granted by the Company with respect to the Transfer Restricted Securities. This Agreement supersedes all prior agreements and understandings between the parties with respect to such subject matter.

[*Signature pages follow*]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

Very truly yours,

VALVOLINE INC.

By: /s/ Lynn P. Freeman
Name: Lynn P. Freeman
Title: Assistant Treasurer

[Signature Page to the Registration Rights Agreement]

VALVOLINE US LLC

By: /s/ Lynn P. Freeman

Name: Lynn P. Freeman
Title: Vice President and Assistant Treasurer

VALVOLINE LLC

By: /s/ Lynn P. Freeman

Name: Lynn P. Freeman
Title: Vice President and Assistant Treasurer

VALVOLINE LICENSING AND
INTELLECTUAL PROPERTY LLC

By: /s/ Lynn P. Freeman

Name: Lynn P. Freeman
Title: Vice President and Assistant Treasurer

VALVOLINE BRANDED FINANCE, INC.

By: /s/ Lynn P. Freeman

Name: Lynn P. Freeman
Title: Vice President and Assistant Treasurer

VALVOLINE INTERNATIONAL HOLDINGS
INC.

By: /s/ Lynn P. Freeman

Name: Lynn P. Freeman
Title: Vice President and Assistant Treasurer

VALVOLINE INSTANT OIL CHANGE
FRANCHISING, INC.

By: /s/ Lynn P. Freeman

Name: Lynn P. Freeman

Title: Vice President and Assistant Treasure

RELOCATION PROPERTIES MANAGEMENT
LLC

By: /s/ Lynn P. Freeman

Name: Lynn P. Freeman
Title: Vice President and Assistant Treasure

VIOC FUNDING, INC.

By: /s/ Lynn P. Freeman

Name: Lynn P. Freeman
Title: Vice President and Assistant Treasure

VALVOLINE INTERNATIONAL, INC.

By: /s/ Lynn P. Freeman

Name: Lynn P. Freeman
Title: Vice President and Assistant Treasure

FUNDING CORP. I

By: /s/ Lynn P. Freeman

Name: Lynn P. Freeman
Title: Vice President and Assistant Treasure

OCH INTERNATIONAL, INC.

By: /s/ Lynn P. Freeman

Name: Lynn P. Freeman
Title: Vice President and Assistant Treasure

OCHI ADVERTISING FUND LLC

By: /s/ Lynn P. Freeman

Name: Lynn P. Freeman
Title: Vice President and Assistant Treasure

OCHI HOLDINGS LLC

By: /s/ Lynn P. Freeman

Name: Lynn P. Freeman
Title: Vice President and Assistant Treasure

OCHI HOLDINGS II LLC

By: /s/ Lynn P. Freeman

Name: Lynn P. Freeman
Title: Vice President and Assistant Treasure

The foregoing Registration Rights Agreement is hereby confirmed and accepted by the Initial Purchasers as of the date first above written:

CITIGROUP GLOBAL MARKETS INC.
Acting on behalf of itself
and as the Representative of
the several Initial Purchasers

By: **CITIGROUP GLOBAL MARKETS INC.**

By: /s/ Scott Schloss
Name: Scott Schloss
Title: Managing Director &Vice President

[Signature Page to the Registration Rights Agreement]

EXHIBIT 10.1

VALVOLINE INC.
2016 DEFERRED COMPENSATION PLAN FOR EMPLOYEES

(Effective October 1, 2016)

VALVOLINE INC.
2016 DEFERRED COMPENSATION PLAN FOR EMPLOYEES

1. PURPOSE

Valvoline Inc. hereby establishes the Valvoline Inc. 2016 Deferred Compensation Plan for Employees for the purpose of providing an opportunity to defer compensation for retirement or other future purposes to a select group of management or highly compensated employees (including former employees that met these criteria when employed). The obligations of Valvoline Inc. hereunder constitute a mere promise to make the payments provided for in this Plan. No employee, his or her spouse or the estate of either of them shall have, by reason of this Plan, any right, title or interest of any kind in or to any property of Valvoline Inc. or its Related Entities. To the extent any Participant has a right to receive payments from Valvoline Inc. under this Plan, such right shall be no greater than the right of any unsecured general creditor of Valvoline Inc.

2. DEFINITIONS

The following definitions shall be applicable throughout the Plan:

(a) " **Accounting Date** " means the Business Day on which a calculation concerning a Participant's Compensation Account is performed, or as otherwise defined by the Committee or the Company.

(b) " **Ashland Plan** " means the Ashland Inc. Deferred Compensation Plan for Employees, as amended.

(c) " **Beneficiary** " means the estate of a deceased Participant.

(d) " **Board** " means the Board of Directors of the Company.

(e) " **Business Day** " means a day on which the New York Stock Exchange is open for trading activity.

(f) " **Change in Control** " shall be deemed to have occurred if:

1. there shall be consummated (A) any consolidation or merger of the Company (a " **Business Combination** "), other than a consolidation or merger of the Company into or with a direct or indirect wholly-owned subsidiary, as a result of which the shareholders of the Company own (directly or indirectly), immediately after the Business Combination, less than fifty percent (50%) of the then outstanding shares of common stock that are entitled to vote generally for the election of directors of the corporation resulting from such Business Combination, or pursuant to which shares of the Company's Common Stock would be converted into cash, securities or other property, other than a Business Combination in which the holders of the Company's Common Stock immediately prior to the Business Combination have substantially the same proportionate ownership of common stock of the surviving corporation immediately after the Business Combination, or (B) any sale, lease, exchange or transfer (in one transaction or a series of related transactions) of all or substantially all the assets of the Company, provided, however, that no sale, lease, exchange or other transfer of all or substantially all the assets of the Company shall be deemed to occur unless assets constituting at least eighty percent (80%) of the total assets of the Company are transferred pursuant to such sale, lease, exchange or other transfer;

2. the shareholders of the Company shall approve any plan or proposal for the liquidation or dissolution of the Company;

3. any Person shall become the Beneficial Owner of securities of the Company representing twenty percent (20%) or more of the combined voting power of the Company's then outstanding securities ordinarily (and apart from rights accruing in special circumstances) having the right to vote in the election of directors, as a result of a tender or exchange offer, open market purchases, privately-negotiated purchases or otherwise, without the approval of the Board; or

4. at any time during a period of two (2) consecutive years, individuals who at the beginning of such period constituted the Board shall cease for any reason to constitute at least a majority thereof, unless the election or the nomination for election by the Company's shareholders of each new director during such two- (2-) year period was approved by a vote of at least two-thirds (2/3) of the directors then still in office who were directors at the beginning of such two- (2-) year period.

Notwithstanding the foregoing, a "Change in Control" shall not be deemed to have occurred by virtue of (1) the consummation of any transaction or series of integrated transactions immediately following which the record holders of the Common Stock of the Company immediately prior to such transaction or series of transactions continue to have substantially the same proportionate ownership in an entity which owns all or substantially all of the assets of the Company immediately following such transaction or series of transactions, (2) the repurchase by the Company of outstanding shares of Common Stock or other securities pursuant to a tender or exchange offer or (3) the Valvoline Spin-Off.

(g) " **Code** " means the Internal Revenue Code of 1986, as amended from time to time.

(h) " **Committee** " means the Compensation Committee of the Board or its designee.

(i) " **Common Stock** " means (i) prior to the Separation Date, the common stock, $.01 per value, of Ashland Global Holdings Inc.; and (ii) on and after the Separation Date, the common stock, $.01 par value, of the Company.

(j) " **Common Stock Fund** " means that hypothetical investment option, approved by the Committee or the Company, in which a Participant's Compensation Account may be deemed to be invested and may earn income based on a hypothetical investment in Common Stock.

(k) " **Company** " means Valvoline Inc., a Kentucky corporation, and any successor thereto.

(l) " **Compensation** " means any compensation of an Employee determined by the Committee or the Company to be properly deferrable under the Plan.

(m) " **Compensation Account(s)** " means the Deferred Account (also known as Retirement Account), the In-Service Account(s) (also known as Flexible Distribution Account(s)), the Transferred Excess Plan Account and/or the Transferred SERP Account.

(n) " **Corporate Human Resources** " means the Corporate Human Resources Department of the Company.

(o) (" **Credit Date** " means the date Compensation otherwise would have been paid to the Participant if such Compensation was not Deferred Compensation.

(p) **"Deferral Account"** also known as " **Retirement Account** " means the account(s), established annually as determined by the Committee or the Company, described in Section 9(a) to which the Participant's Deferred Compensation is credited and from which distributions are made, and shall include any corresponding account(s) transferred from the Ashland Plan to this Plan.

(q) " **Deferred Compensation** " means the Compensation the Participant elects to defer pursuant to the Plan, and which is credited to the Participant's Compensation Account(s).

(r) " **Disability** " means that a Participant is unable to engage in any substantial gainful activity because of a medically determinable physical or mental impairment that is expected to result in death or last for a continuous period of twelve (12) or more months. Corporate Human Resources or its delegate shall determine whether a Participant has incurred a Disability.

(s) " **Election** " means a Participant's delivery of a notice of election to defer payment of all or a portion of his or her Compensation under the terms of the Plan or, with respect to accounts transferred from the Ashland Plan to this Plan, under the Ashland Plan. Such notice shall also include instructions specifying the time(s) the Deferred Compensation will be paid and the form (i.e., lump sum or installments) in which it will be paid. Such Elections may be annual or evergreen (as determined by the Committee or the Company), and shall comply with Code section 409A to the extent applicable and, be irrevocable except as otherwise provided in the Plan or pursuant to Treasury guidance. Elections shall be in the form, and made and delivered, as prescribed by the Committee or the Company.

(t) " **Employee** " means a full-time, regular salaried employee (which term shall be deemed to include officers) of the Company and its present and future Related Entities.

(u) " **ERISA** " means the Employee Retirement Income Security Act of 1974, as amended.

(v) " **Exchange Act** " means the Securities Exchange Act of 1934, as amended.

(w) " **Fair Market Value** " means the price of a share of Common Stock, as reported on the Composite Tape for New York Stock Exchange issues on the date and at the time designated by the Company.

(x) **"In-Service Account(s)"** also known as " **Flexible Distribution Account(s)** " means the account(s), established annually as determined by the Committee or the Company, described in Section 9(b) to which the Participant's Deferred Compensation is credited and from which distributions are made, and shall include any corresponding account(s) transferred from the Ashland Plan to this Plan.

(y) " **Participant** " means an Employee who is a highly-compensated or management Employee selected to participate in the Plan and who has elected to defer payment of all or a portion of his or her Compensation under the Plan or who otherwise has a Compensation Account in the Plan.

(z) " **Performance-Based Compensation** " means Compensation that meets requirements specified by the Secretary of the Treasury, including Treasury Regulation section 1.409A-1(e). Performance-Based Compensation will include the attributes that it is variable, contingent on the satisfaction of pre-established metrics and is not readily ascertainable at the time of the Election to defer such compensation under Section 8(b).

(aa) " **Plan** " means this Valvoline Inc. 2016 Deferred Compensation Plan for Employees as it now exists or as it may hereafter be amended.

(bb) " **Plan Year** " means the calendar year.

(cc) " **Related Entities** " means (a) any corporation that is a member of a "controlled group of corporations" as defined in Code section 414(b) that includes the Company, and (b) any trade or business that is under "common control" as defined in Code section 414(c) that includes the Company.

(dd) " **Secretary of the Treasury** " or " **Treasury** " means the United States Department of Treasury.

(ee) " **Separation Date** " means the date upon which the Valvoline Spin-Off is completed.

(ff) " **Separation from Service** " or " **Termination** " means a termination from employment resulting in a cessation of performing active service for the Company and the Related Entities. An Employee is considered to incur a Separation from Service on the date the Employee terminates employment with the Company and the Related Entities or when it is reasonably anticipated that the Employee's services to the Company and the Related Entities will permanently decrease to twenty percent (20%) or less of the average amount of services performed for the Company and the Related Entities during the immediately preceding thirty-six (36) month period (or period of total employment if less than thirty-six (36) months). Notwithstanding anything in the foregoing to the contrary, a Separation from Service does not occur as a result of military leave, sick leave or other bona fide leave of absence not exceeding six (6) months or the period during which the Employee retains a right to reemployment.

(gg) " **Specified Employee** " means, for a particular Plan Year, any Employee who was at anytime during the twelve (12) months ending on the December 31 preceding the start of the particular Plan Year (the Specified Employee identification date) classified on the records of the Company as a "specified employee" within the meaning of Code section 409A(a)(2)(B)(i) and Treasury Regulation section 1.409A-1(i). Such an Employee shall be classified as a Specified Employee as of January 1 of the particular Plan Year (the Specified Employee effective date) and shall remain classified as such for the entirety of such Plan Year. Notwithstanding anything to the contrary, no more than two hundred (200) Employees may be classified as Specified Employees for any Plan Year. Unless otherwise provided in the particular document, this definition of Specified Employee shall apply to all plans, programs, contracts, agreements and other arrangements maintained by the Company and the Related Entities that are subject to Code section 409A.

(hh) " **Transferred Excess Plan Account** " means a Participant's Excess Account under the Transferred Excess Plan that has been deferred by the Participant.

(ii) " **Transferred Excess Plan** " means the Ashland Inc. Nonqualified Excess Benefit Pension Plan transferred by Ashland Inc. to, and assumed by, Valvoline effective as of September 1, 2016.

(jj) " **Transferred SERP Account** " means a Participant's SERP Account under the Transferred SERP that has been deferred by the Participant.

(kk) " **Transferred SERP** " means the Amended and Restated Ashland Inc. Supplemental Early Retirement Plan for Certain Employees transferred by Ashland Inc. to, and assumed by, Valvoline effective as of September 1, 2016.

(ll) "Unforeseeable Emergency " means a severe financial hardship of a Participant (that cannot be alleviated by compensation or reimbursement received insurance companies or otherwise as provided in Treasury Regulation Section 1.409A-3(i)(3)) because of (i) an illness or accident of the Participant, the Participant's spouse or dependent (as defined in Code section 152(a)); (ii) a loss of the Participant's property due to casualty; or (iii) such other similar extraordinary unforeseeable circumstances because of events beyond the control of the Participant. Corporate Human Resources or its delegate shall determine whether a Participant has incurred an Unforeseeable Emergency.

(mm) " **Valvoline** " means Valvoline LLC, a wholly-owned subsidiary of the Company.

(nn) " **Valvoline Spin-Off** " means the transaction or series of transactions initially approved by the board of directors of Ashland Inc. on September 16, 2015, intended to separate the Valvoline business from Ashland Inc.'s specialty chemical business and create two independent, publicly-traded companies.

3. SHARES; ADJUSTMENTS IN EVENT OF CHANGES IN CAPITALIZATION

(a) *Shares Authorized for Issuance* . There shall be reserved for issuance under the Plan one million (1,000,000) shares of Common Stock, subject to adjustment pursuant to subsection (c) below.

(b) *Adjustments in Certain Events* . In the event of any change in the outstanding Common Stock of the Company by reason of any stock split, share dividend, recapitalization, merger, consolidation, reorganization, combination, or exchange or reclassification of shares, split-up, split-off, spin-off, liquidation or other similar change in capitalization, or any distribution to common shareholders other than ordinary cash dividends, the number or kind of shares that may be issued or credited under the Plan shall be automatically adjusted so that the proportionate interest of the Participants shall be maintained as before the occurrence of such event. Such adjustment shall be conclusive and binding for all purposes of the Plan.

4. ELIGIBILITY

The Committee shall have the authority to select from management and/or highly compensated Employees those Employees who shall be eligible to participate in the Plan; provided, however, that employees and/or retirees who have elected to defer an amount into this Plan from another plan sponsored or maintained or transferred and assumed by Valvoline, the terms of which allowed such employee or retiree to make such a deferral election into this Plan, shall be considered to be eligible to participate in this Plan.

5. ADMINISTRATION

Full power and authority to construe, interpret and administer the Plan shall be vested in the Company and the Committee or one or more of their delegates. This power and authority includes, but is not limited to, selecting Compensation eligible for deferral, establishing deferral terms and conditions and adopting modifications, amendments and procedures as may be deemed necessary, appropriate or convenient by the Committee. This power and authority also includes, without limitation, the ability to construe and interpret provisions of the Plan, make determinations regarding law and fact, reconcile any inconsistencies between provisions in the Plan or between provisions of the Plan and any other statement concerning the Plan, whether oral or written, supply any omissions to the Plan or any document associated with the Plan, and to correct any defect in the Plan or in any document associated with the Plan. Decisions of the Company and the Committee (or their delegates) shall be final, conclusive and binding upon all parties. Day-to-day administration of the Plan shall be the responsibility of Corporate Human Resources. The administration of and all interpretations under the Plan shall be made consistent with all applicable law.

6. PARTICIPANT COMPENSATION ACCOUNT(S)

Upon election to participate in the Plan, there shall be established a Deferral Account and/or In-Service Account(s), as designated by the Participant, to which there shall be credited any Deferred Compensation, as of each Credit Date. There shall also be established a Transferred Excess Plan Account and/or a Transferred SERP Account for a Participant who has made an applicable deferral election. Each such Compensation Account shall be credited (or debited) on each Accounting Date with hypothetical income (or hypothetical loss) based upon a hypothetical investment in any one or more of the investment options available under the Plan, as prescribed by the Committee, for the particular Compensation credited, which may include a Common Stock Fund, as elected by the Participant under the terms of Section 8. The crediting or debiting on each Accounting Date of hypothetical income (or hypothetical loss) shall be made for the respective amounts that were subject to each Election under Section 8. All investments of a Participant's Compensation Account in which such Participant's Compensation Account may be deemed invested in the Common Stock Fund, shall be on each relevant Accounting Date valued at Fair Market Value. Additionally, all distributions, investments and investment exchanges allowed and made under the Plan shall be as of the relevant Accounting Date at Fair Market Value.

7. EARLY WITHDRAWAL

(a) *Unforeseeable Emergency* . A Participant or a Participant's legal representative may submit an application for a distribution from either a Deferral Account or an In-Service Account because of an Unforeseeable Emergency. The amount of the distribution shall not exceed the amount necessary to satisfy the needs of the Unforeseeable Emergency. Such distribution shall include an amount to pay taxes reasonably anticipated as a result of the distribution. The amount allowed as a distribution under this Section 7(a) shall take into account the extent to which the Unforeseeable Emergency may be relieved by reimbursement, insurance or liquidation of the Participant's

assets (but only to the extent such liquidation would itself not cause a severe financial hardship). The distribution shall be made in a single sum and paid as soon as practicable (but not later than sixty (60) days) after the application for the distribution on account of the Unforeseeable Emergency is approved. The provisions of this Section 7(a) shall be interpreted and administered in accordance with applicable guidance that may be issued by the Treasury.

(b) *Disability* . A Participant or a Participant's legal representative may submit an application for a distribution from the Participant's Deferral Account and In-Service Account because of the Participant's Disability. The distribution shall be made in a single sum and paid as soon as practicable (but not later than sixty (60) days) after the application for the distribution on account of the Participant's Disability is approved. The provisions of this Section 7(b) shall be interpreted and administered in accordance with applicable guidance that may be issued by the Treasury. If such guidance should allow an election of a period or form of distribution at the time of the application for a distribution on account of the Participant's Disability then the Plan shall allow such elections.

(c) *Prohibition on Acceleration* . Except as otherwise provided in the Plan and except as may be allowed in guidance from the Secretary of the Treasury, distributions from a Participant's Compensation Account(s) may not be made earlier than the time such amounts would otherwise be distributed pursuant to the terms of the Plan.

8. DEFERRAL ELECTIONS

(a) *General* . The Company or the Committee shall determine the timing of the filing of the appropriate Election forms (which may be an online Election form). An effective Election may not be revoked or modified except as otherwise determined by the Company or the Committee or as stated herein.

(b) *Permissible Deferral Election* . A Participant's Election to defer Compensation may only be made in the taxable year before the Compensation is earned, with two (2) exceptions. The first exception applies to a Participant during his or her first (1 st) year of eligibility to participate in the Plan. In that event such a Participant may, if so offered by the Company or the Committee, elect to defer Compensation for services performed after the Election, provided that the Election is made within thirty (30) days of the date the Participant becomes eligible to participate in the Plan.

The second exception is with respect to an election to defer Performance-Based Compensation. If Performance-Based Compensation is based on services of a Participant performed over a period of at least twelve (12) months, then the Participant may, if so offered by (and on the terms and limitations specified by) the Company or the Committee, make an Election to defer all or part of such Performance-Based Compensation not later than six (6) months before the end of such service period.

A Participant's Election under this Section 8(b) shall specify the amount or percentage of Compensation deferred and specify the time and form of distribution from among those described in Section 9 of the Plan. Each Election to defer Compensation is a separate election regarding the time and form of distribution.

(c) *Hypothetical Investment Alternatives - Existing Balances* . A Participant may elect to change an existing selection as to the investment alternatives in effect with respect to an existing Compensation Account (in increments prescribed by the Committee or the Company) as often, and with such restrictions, as determined by the Committee or by the Company. If a Participant fails to make an investment selection for his or her Compensation Account, the Committee or the Company may prescribe a default selection or selections in any manner that appears reasonable in their discretion.

9. DISTRIBUTION

(a) *Deferral Account* . In accordance with a Participant's Election under Section 8, but subject to Sections 7 and 11, amounts subject to such Election in the Deferral Account (determined in accordance with Section 6) shall be distributed -

1. Upon a Participant's Separation from Service as either a lump sum or in installments not exceeding fifteen (15) years; provided, however, that the distribution to a Participant who is

a Specified Employee must not be made before the earliest of the date that is six (6) months after the Participant's Separation from Service or the date of the Participant's death;

2. For Elections made prior to October 1, 2016, upon a Participant's death to the Participant's Beneficiary as either a lump sum or in installments not exceeding fifteen (15) years from the date of the Participant's death; or for Elections made on or after October 1, 2016, upon a Participant's death to the Participant's Beneficiary in a lump sum; or

3. At a specified time or under a fixed schedule not exceeding fifteen (15) years from the Participant's Separation from Service.

(b) *In-Service Account* . In accordance with a Participant's Election under Section 8, but subject to Sections 7 and 11, amounts subject to such Election in an In-Service Account (determined in accordance with Section 6) shall be distributed -

1. For Elections made prior to October 1, 2016, upon a Participant's death to the Participant's Beneficiary as either a lump sum or in installments not exceeding fifteen (15) years; or for Elections made on or after October 1, 2016, upon a Participant's death to the Participant's Beneficiary in a lump sum; or

2. At a specified time or under a fixed schedule not less than two (2) years measured from the beginning of the Plan Year after the Plan Year in which the Election is made and not exceeding fifteen (15) years measured from the beginning of the Plan Year after the Plan Year in which the Election is made.

(c) *Transferred Excess Plan Accounts and Transferred SERP Accounts* . In accordance with a Participant's Election under Section 8, but subject to Sections 7 and 11, amounts subject to such Election in either the Transferred Excess Plan Account or Transferred SERP Account, or both (determined in accordance with Section 6) shall be distributed -

1. Upon a Participant's Separation from Service and entitlement to a distribution under the Transferred Excess Plan and/or Transferred SERP, as applicable, as either a lump sum or in installments not exceeding 15 years from the date the Participant was entitled to a distribution under the Transferred Excess Plan and/or Transferred SERP, as applicable; provided, however, that the distribution to a Participant who is a Specified Employee must not be made before the earliest of the date that is six (6) months after the Participant was entitled to a distribution under the Transferred Excess Plan and/or Transferred SERP, as applicable or the date of the Participant's death;

2. For Elections made prior to October 1, 2016, upon a Participant's death to the Participant's Beneficiary as either a lump sum or in installments not exceeding fifteen (15) years from the date of the Participant's death; or for Elections made on or after October 1, 2016, upon a Participant's death to the Participant's Beneficiary in a lump sum; or

3. At a specified time or under a fixed schedule not exceeding fifteen (15) years from the date the Participant incurred a Separation from Service and was entitled to a distribution under the Transferred Excess Plan and/or Transferred SERP, as applicable.

(d) *Medium of Distribution and Default Method* . A Participant's Deferral Account, In-Service Account(s), Transferred Excess Plan Account and Transferred SERP Account shall be distributed in cash or shares of Common Stock (or a combination of both) as determined by the Committee or the Company. If no Election is made by a Participant as to the distribution or form of payment from one or more of his or her Compensation Account(s), upon the earliest time that a distribution from such account is to be made pursuant to the terms of the Plan, such account shall be paid in cash or shares of Common Stock (or a combination of both) as determined by the Committee or the Company in a lump sum, within sixty (60) days following the Participant's Separation from Service (provided that if

such sixty (60) day period begins in one calendar year and ends in the next calendar year, the Participant shall have no right, directly or indirectly, to designate the calendar year of payment).

(e) *Election to Delay the Time or Change the Form of Distribution* . A Participant may make an Election to delay the time of a distribution or change the form of a distribution, or may elect to do both, with respect to an amount that would be payable pursuant to an Election (except in the event of a distribution on account of the Participant's death) if all of the following requirements are met -

1. Such an Election may not take effect until at least twelve (12) months after it is made;

2. Any delay to the distribution that would take effect because of the Election is at least to a date five (5) years after the date the distribution otherwise would have begun; and

3. Such an Election may not be made less than twelve (12) months before the date of the first scheduled payment.

(f) *Distribution Exceptions* . Notwithstanding anything in the Plan to the contrary, the following shall apply to the distribution of Contribution Account(s):

1. Distribution pursuant to a domestic relations order as described in Section 12;

2. Distribution of a Participant's or Beneficiary's Compensation Account(s) shall be made in a single lump sum payment as soon as possible provided the distribution will be of the entirety of the Participant's or Beneficiary's Compensation Account(s) and the distribution does not exceed the adjusted Code section 402(g) limit; and

3. Distribution or suspension of contributions may be made in the discretion of the Company for any other permitted purpose under Treasury Regulation section 1.409A-3(j)(4)(ii)-(xiv).

(g) *Timing of Payments to Specified Employees.* Notwithstanding anything in the Plan to the contrary, if a Participant is a Specified Employee as of the date of his or her Separation from Service, then no distribution/payment of such Participant's Compensation Accounts shall be made upon the Participant's Separation from Service until the first payroll date of the seventh month following the Participant's Separation from Service (or, if earlier, upon the date of the Participant's death or such other earlier time as would not result in a tax or penalty under Code section 409A) (the " **Specified Employee Payment Date** "). Any payments to which a Specified Employee otherwise would have been entitled under the Plan during the period between the Participant's Separation from Service and the Specified Employee Payment Date shall be accumulated and paid in a lump sum payment on the Specified Employee Payment Date.

10. BENEFICIARY

If the Participant dies before receiving distribution of all amounts due hereunder, the remaining unpaid amounts shall be paid in one lump sum to the estate of such Participant, which shall be the Participant's "Beneficiary" under this Plan.

11. CHANGE IN CONTROL

In the event of a Change in Control, the Company shall reimburse a Participant for the legal fees and expenses incurred if the Participant is required to seek to obtain or enforce any right to distribution. In the event that it is determined that such Participant is properly entitled to a cash or other distribution hereunder, such Participant shall also be entitled to interest thereon payable in an amount equivalent to the Prime Rate of Interest quoted by Citibank, N.A. as its prime commercial lending rate on the subject date from the date such distribution should have been made to and including the date it is made. Notwithstanding any provision of this Plan to the contrary, this Section 11 and

the definition of "Change in Control" may not be amended after a Change in Control occurs without the written consent of a majority in number of Participants.

12. INALIENABILITY; UNFUNDED PLAN

The interests of the Participants and their Beneficiaries under the Plan may not in any way be voluntarily or involuntarily transferred, alienated or assigned, nor subject to attachment, execution, garnishment or other such equitable or legal process. A Participant or Beneficiary cannot waive the provisions of this Section 12. Notwithstanding anything contained herein to the contrary, valid court ordered divisions of a Participant's Compensation Account(s) pursuant to a domestic relations order may be recognized and distributions may be made pursuant to such an order provided that such distributions are consistent with this Section 12. A domestic relations order intended to assign a benefit hereunder to a former spouse of a Participant must be delivered to the Company. The Company or its delegate will review the order to determine if it is qualified. Upon notification by the Company or its delegate that the order is qualified, the spouse will be able to elect a distribution of the assigned benefit by the end of the fifth calendar year following the calendar year during which the Company or its delegate notifies the former spouse that the order is qualified. In all events, the entire assigned benefit must be distributed by the end of the fifth (5 th) calendar year following the calendar year during which the Company or its delegate notifies the former spouse that the order is qualified. The Company or its delegate may prescribe procedures that are consistent with this Section 12 and applicable law to implement benefit assignments pursuant to qualified orders.

The Plan at all times shall be unfunded; and no provision shall be made at any time with respect to segregating assets of any Participant for the payment of any amounts hereunder. The Plan constitutes a mere promise of the Company and the Related Entities to make payments to Participants (and, to the extent applicable, Participants' Beneficiaries) in the future. Participants and their Beneficiaries and estates have rights only as unsecured general creditors of the Company and the Related Entities.

13. CLAIMS

(a) *Initial Claim - Notice of Denial* . If any claim for benefits (within the meaning of section 503 of ERISA) is denied in whole or in part, the Company (which shall include the Company or its delegate throughout this Section 13) will provide written notification of the denied claim to the Participant or Beneficiary, as applicable, (hereinafter referred to as the claimant) in a reasonable period, but not later than ninety (90) days after the claim is received. The ninety- (90-) day period can be extended under special circumstances. If special circumstances apply, the claimant will be notified before the end of the ninety- (90-) day period after the claim was received. The notice will identify the special circumstances. It will also specify the expected date of the decision. When special circumstances apply, the claimant must be notified of the decision not later than one hundred eighty (180) days after the claim is received.

The written decision will include:

1. The reasons for the denial.

2. Reference to the Plan provisions on which the denial is based. The reference need not be to page numbers or to section headings or titles. The reference only needs to sufficiently describe the provisions so that the provisions could be identified based on that description.

3. A description of additional materials or information needed to process the claim. It will also explain why those materials or information are needed.

4. A description of the procedure to appeal the denial, including the time limits applicable to those procedures. It will also state that the claimant may file a civil action under section 502 of ERISA (ERISA - §29 U.S.C. 1132). The claimant must complete the Plan's appeal procedure before filing a civil action in court.

If the claimant does not receive notice of the decision on the claim within the prescribed time periods, the claim is deemed denied. In that event the claimant may proceed with the appeal procedure described below.

(b) *Appeal of Denied Claim* . The claimant may file a written appeal of a denied claim with the Company in such manner as determined from time to time. The Company is the named fiduciary under ERISA for purposes of the appeal of the denied claim. The Company may delegate its authority to rule on appeals of denied claims and any person or persons or entity to which such authority is delegated may re-delegate that authority. The appeal must be sent at least sixty (60) days after the claimant received the denial of the initial claim. If the appeal is not sent within this time, then the right to appeal the denial is waived.

The claimant may submit materials and other information relating to the claim. The Company will appropriately consider these materials and other information, even if they were not part of the initial claim submission. The claimant will also be given reasonable and free access to or copies of documents, records and other information relevant to the claim.

Written notification of the decision on the appeal will be delivered to the claimant in a reasonable period, but not later than sixty (60) days after the appeal is received. The sixty- (60-) day period can be extended under special circumstances. If special circumstances apply, the claimant will be notified before the end of the sixty- (60-) day period after the appeal was received. The notice will identify the special circumstances. It will also specify the expected date of the decision. When special circumstances apply, the claimant must be notified of the decision not later than one hundred twenty (120) days after the appeal is received.

Special rules apply if the Company designates a committee as the appropriate named fiduciary for purposes of deciding appeals of denied claims. For the special rules to apply, the committee must meet regularly on at least a quarterly basis.

When the special rules for committee meetings apply the decision on the appeal must be made not later than the date of the committee meeting immediately following the receipt of the appeal. If the appeal is received within thirty (30) days of the next following meeting, then the decision must not be made later than the date of the second committee meeting following the receipt of the appeal.

The period for making the decision on the appeal can be extended under special circumstances. If special circumstances apply, the claimant will be notified by the committee or its delegate before the end of the otherwise applicable period within which to make a decision. The notice will identify the special circumstances. It will also specify the expected date of the decision. When special circumstances apply, the claimant must be notified of the decision not later than the date of the third committee meeting after the appeal is received.

In any event, the claimant will be provided written notice of the decision within a reasonable period after the meeting at which the decision is made. The notification will not be later than five (5) days after the meeting at which the decision is made.

Whether the decision on the appeal is made by a committee or not, a denial of the appeal will include:

1. The reasons for the denial.

2. Reference to the Plan provisions on which the denial is based. The reference need not be to page numbers or to section headings or titles. The reference only needs to sufficiently describe the provisions so that the provisions could be identified based on that description.

3. A statement that the claimant may receive free of charge reasonable access to or copies of documents, records and other information relevant to the claim.

4. A description of any voluntary procedure for an additional appeal, if there is such a procedure. It will also state that the claimant may file a civil action under section 502 of ERISA (ERISA - §29 U.S.C. 1132).

If the claimant does not receive notice of the decision on the appeal within the prescribed time periods, the appeal is deemed denied. In that event the claimant may file a civil action in court. The decision regarding a denied claim is final and binding on all those who are affected by the decision. No additional appeals regarding that claim are allowed.

14. GOVERNING LAW

The provisions of this Plan shall be interpreted and construed in accordance with the laws of the Commonwealth of Kentucky, except to the extent preempted by Federal law.

15. AMENDMENTS

The Company may amend, alter or terminate this Plan at any time without the prior approval of the Board or the Committee; provided, however, that the Company may not, without approval by the Board:

(a) increase the number of securities that may be issued under the Plan (except as provided in Section 3(b));

(b) materially modify the requirements as to eligibility for participation in the Plan; or

(c) otherwise materially increase the benefits accruing to Participants under the Plan.

16. COMPLIANCE WITH RULE 16b-3

It is the intention of the Company that the Plan comply in all respects with Rule 16b-3 promulgated under Section 16(b) of the Exchange Act.

17. COMPLIANCE WITH 409A

It is the intention of the Company and the Committee that the Plan be administered in compliance with Code section 409A and the applicable guidance issued thereunder by the Secretary of the Treasury. Any provision that is found to be inconsistent with Code section 409A or the applicable guidance issued thereunder by the Secretary of the Treasury shall be reformed and applied by the Company in a manner consistent with applicable law, as determined by the Company.

18. EFFECTIVE DATE

The Plan was approved by the Personnel and Compensation Committee of the Board of Directors of Ashland Inc. and adopted by the Company to be effective as of October 1, 2016.

IN WITNESS WHEREOF , Valvoline Inc. has caused its duly authorized representative to execute the Plan, this 30th day of September, 2016, to be effective as the date noted above.

On Behalf of Valvoline Inc.

By: /s/ Peter J. Ganz

Senior Vice President, General Counsel and Secretary
Ashland Global Holdings Inc.

2016 VALVOLINE INC. INCENTIVE PLAN

(Effective as of October 1, 2016)

SECTION 1. PURPOSE

The purpose of the 2016 Valvoline Incentive Plan is to promote the interests of the Company and its shareholders by providing incentives to its directors, officers and employees (including prospective directors, officers and employees). Accordingly, the Company may grant to selected officers and employees Option Awards, Stock Appreciation Rights Awards, Restricted Stock Awards, Restricted Stock Unit Awards, Incentive Awards, Performance Unit Awards and Recognition Awards in an effort to attract and retain in its employ qualified individuals and to provide such individuals with incentives to continue service with the Company, devote their best efforts to the Company and improve the Company's economic performance, thus enhancing the value of the Company for the benefit of shareholders. This Plan also provides an incentive for qualified persons, who are not officers or employees of the Company, to serve on the Board of Directors of the Company and to continue to work for the best interests of the Company by rewarding such persons with Option Awards, Stock Appreciation Rights Awards, Restricted Stock Awards or Restricted Stock Unit Awards.

SECTION 2. DEFINITIONS

"Agreement" shall mean either: (i) an agreement, either in written or electronic format, entered into by the Company and a Recipient setting forth the terms and provisions applicable to an Award granted under the Plan; or (ii) a statement, either in written or electronic format, issued by the Company to a Recipient describing the terms and provisions of such Award, which need not be signed by the Recipient.

"Assumed Valvoline Award" shall mean a stock option, stock appreciation right, restricted stock, restricted stock unit, performance unit, merit or other incentive compensation award granted pursuant to the Amended and Restated 2015 Ashland Inc. Incentive Plan, the Amended and Restated 2011 Ashland Inc. Incentive Plan or any other long-term incentive compensation plan sponsored or maintained by Ashland Inc. (or its successor) and assumed under this Plan in connection with the Valvoline Stock distribution.

"Award" shall mean an Option Award, a Stock Appreciation Right Award, a Restricted Stock Award, a Restricted Stock Unit Award, an Incentive Award, a Performance Unit Award or a Recognition Award, in each case granted under this Plan.

"Beneficial Owner" shall have the meaning set forth in Rule 13d-3 promulgated under the Exchange Act.

"Beneficiary" shall mean the person or persons designated by a Recipient or, if no designation has been made, the person or persons entitled by will or the laws of descent and distribution to receive the benefits specified under this Plan in the event of a Recipient's death.

"Board" shall mean the Board of Directors of the Company.

"Cause" shall have the meaning assigned thereto in the applicable Agreement or, in the event the applicable Agreement does not assign a meaning to such term, "Cause" shall mean (i) the willful and continued failure of the Participant to substantially perform his or her duties with the Company or its Subsidiaries (other than any such failure resulting from the Participant's incapacity due to physical or mental illness), (ii) willful engaging by the Participant in gross misconduct materially injurious to the Company or its Subsidiaries or (iii) the Participant's conviction of or the entering of a plea of nolo contendere (or similar plea under the law of a jurisdiction outside the United States) to the commission of a felony (or a similar crime or offense under the law of a jurisdiction outside the United States).

"Change in Control" shall be deemed to have occurred if:

there shall be consummated (A) any consolidation or merger of the Company (a "Business Combination"), other than a consolidation or merger of the Company into or with a direct or indirect wholly-owned subsidiary, as a result of which the shareholders of the Company own(directly or indirectly), immediately after the Business Combination, less than 50% of the then outstanding shares of common stock that are entitled to vote generally for the election of directors of the corporation resulting from such Business Combination, or pursuant to which shares of the Company's Common Stock would be converted into cash, securities or other property, other than a Business Combination in which the holders of the Company's Common Stock immediately prior to the Business Combination have substantially the same proportionate ownership of common stock of the surviving corporation immediately after the Business Combination, or (B) any sale, lease, exchange or transfer (in one transaction or a series of related transactions) of all or substantially all the assets of the Company, provided, however, that no sale, lease, exchange or other transfer of all or substantially all the assets of the Company shall be deemed to occur unless assets constituting at least 80% of the total assets of the Company are transferred pursuant to such sale, lease, exchange or other transfer;

the shareholders of the Company shall approve any plan or proposal for the liquidation or dissolution of the Company;

any Person shall become the Beneficial Owner of securities of the Company representing 20% or more of the combined voting power of the Company's then outstanding securities ordinarily (and apart from rights accruing in special circumstances) having the right to vote in the election of directors, as a result of a tender or exchange offer, open market purchases, privately-negotiated purchases or otherwise, without the approval of the Board; or

at any time during a period of two (2) consecutive years, individuals who at the beginning of such period constituted the Board shall cease for any reason to constitute at least a majority thereof, unless the election or the nomination for election by the Company's shareholders of each new director during such two-year period was approved by a vote of at least two-thirds of the directors then still in office who were directors at the beginning of such two-year period.

Notwithstanding the foregoing, a "Change in Control" shall not be deemed to have occurred by virtue of (1) the consummation of any transaction or series of integrated transactions immediately following which the record holders of the Common Stock of the Company immediately prior to such transaction or series of transactions continue to have substantially the same proportionate ownership in an entity which owns all or substantially all of the assets of the Company immediately following such transaction or series of transactions, (2) the repurchase by the Company of outstanding shares of Common Stock or other securities pursuant to a tender or exchange offer or (3) the Valvoline Stock distribution.

"Code" shall mean the United States Internal Revenue Code of 1986, as amended.

"Common Stock" shall mean the Common Stock of the Company ($0.01 par value), subject to adjustment pursuant to Section 14 hereof. "Company" shall mean Valvoline Inc. or any successor thereto.

"Compensation Committee" shall mean the Compensation Committee of the Board, as from time to time constituted, or any successor committee of the Board with similar functions, which shall, unless otherwise determined by the board, consist of three or more members, each of whom shall be a "non-employee director" within the meaning of Rule 16b-3 issued under the Exchange Act, an "outside director" within the meaning of the regulations issued under Section 162(m) of the Code and an "independent director" within the meaning of the applicable rules of the New York Stock Exchange or any other securities exchange upon which the Company's Common Stock is listed, or such committee's delegate.

"Credited Service" shall mean periods of employment with the Company and its Subsidiaries for which credit is given, as determined by the Compensation Committee in its sole discretion.

"Disability" shall have the meaning assigned thereto in the applicable Agreement or, in the event the applicable Agreement does not assign a meaning to such term, "Disability" shall mean, (i) in the case of a Participant, when he or she becomes unable to perform the functions required by his or her regular job due to physical or mental illness and, in connection with the grant of an Incentive Stock Option, he or she falls within the meaning of that term as

provided in Section 22(e)(3) of the Code; and (ii) in the case of an Outside Director, when he or she is unable to attend to his or her duties and responsibilities as a member of the Board because of incapacity due to physical or mental illness.

"Dividend Equivalents" shall mean the equivalent value (in cash, shares of Common Stock, shares of Restricted Stock or RSUs) of dividends that would otherwise be paid on the shares subject to an Award but that have not been issued or delivered, as described in Section 16(N).

"Effective Date" shall mean October 1, 2016.

"Employee" shall mean a regular, full-time or part-time employee of the Company or any of its Subsidiaries, provided, however, that for purposes of determining whether any individual may be a Participant for purposes of any grant of an Incentive Stock Option, the term "Employee" shall have the meaning given to such term in Section 3401(c) of the Code.

"Exercise Price" shall mean, with respect to each share of Common Stock subject to an Option or Stock Appreciation Right, the price fixed by the Compensation Committee at which such share may be purchased from the Company pursuant to the exercise of such Option or Stock Appreciation Right.

"Exchange Act" shall mean the United States Securities Exchange Act of 1934, as amended.

"Fair Market Value" shall mean, as of any date, (i) the closing sale price per share of Common Stock as reported on the Composite Tape of the New York Stock Exchange, or if there are no sales on such day, on the next preceding trading day during which a sale occurred and (ii) in the absence of such markets for the shares of Common Stock, the Fair Market Value shall be determined by the Compensation Committee, in its discretion, (which determination shall be made in a manner that complies with Section 409A of the Code to the extent required to avoid the imposition of taxes or penalties under Section 409A of the Code, as determined by the Committee), and such determination shall be conclusive and binding for all purposes.

"Incentive Award" shall mean an Award made pursuant to Section 7 hereof, the payment of which is contingent upon the achievement of performance goals (including Performance Goals) for the particular Performance Period.

"Incentive Stock Option" or "ISO" shall mean an Option that is intended by the Compensation Committee to meet the requirements of Section 422 of the Code or any successor provision.

"ISO Award" shall mean an Award of an Incentive Stock Option pursuant to Section 10 hereof.

"Nonqualified Stock Option" or "NQSO" shall mean an Option granted pursuant to this Plan which does not qualify as an Incentive Stock Option.

"NQSO Award" shall mean an Award of a Nonqualified Stock Option pursuant to Section 10 hereof.

"Option" shall mean the right to purchase Common Stock at a price to be specified and upon terms to be designated by the Compensation Committee, in its discretion, or otherwise determined pursuant to this Plan. The Compensation Committee, in its discretion, shall designate an Option as a Nonqualified Stock Option or an Incentive Stock Option.

"Option Award" shall mean an Award of an Option pursuant to Section 10 hereof.

"Outside Director" shall mean a director of the Company, who is not also an Employee, who is selected by the Compensation Committee to receive an Award under this Plan.

"Participant" shall mean an Employee who is designated (whether individually or as a member of a specified group of Employees) by the Compensation Committee to receive an Award under this Plan.

"Performance-Based Exception" shall mean the performance-based exception from the tax deductibility limitations of Section 162(m) of the Code.

"Performance Goals" shall mean performance goals as may be established in writing by the Compensation Committee. Such goals may be absolute in their terms or measured against or in relation to other companies comparably or otherwise situated, and/or may be relative to stock market indices or such other published or special indices as the Compensation Committee deems appropriate. Performance Goals may relate to the performance of the Company or one or more of its Subsidiaries, divisions, departments, units, functions, partnerships, joint ventures or minority investments, product lines or products, and/or the performance of the individual Participant. The Performance Goals applicable to any Award that is intended to qualify for the Performance-Based Exception shall be based on one or more of the following criteria (which may be measured either in the aggregate or on per share basis, and which may include or exclude items to measure specific objectives, such as losses from discontinued operations, extraordinary gains or losses, the cumulative effect of accounting changes, acquisitions or divestitures, foreign exchange impacts and any unusual, nonrecurring gain or loss):

(i) Earnings measures, including net earnings on either a LIFO, FIFO or other basis and including earnings, earnings before interest, earnings before interest and taxes, earnings before interest, taxes and depreciation or earnings before interest, taxes, depreciation and amortization;
(ii) Operating measures, including operating income, operating earnings, or operating margin;
(iii) Income or loss measures, including net income or net loss, and economic profit;
(iv) Cash flow measures, including cash flow or free cash flow;
(v) Revenue measures;
(vi) Reductions in expense measures;
(vii) Operating and maintenance, cost management, and employee productivity measures;
(viii) Company return measures, including return on assets, investments, equity, or sales;
(ix) Share price (including attainment of a specified per-share price during the performance period, growth measures, total return to shareholders or attainment of a specified price per share for a specified period of time);
(x) Strategic business criteria, consisting of one or more objectives based on meeting specified revenue, market share, market penetration, business expansion targets, project milestones, production volume levels, or cost targets;
(xi) Accomplishment of, or goals related to, mergers, acquisitions, dispositions, public offerings, or similar extraordinary business transactions;
(xii) Achievement of business or operational goals such as market share, business development and/or customer objectives, and debt ratings; or
(xiii) Growth or rate of growth of any of the performance criteria set forth herein.

"Performance Period" shall mean the period designated by the Compensation Committee during which performance goals (including Performance Goals) shall be measured.

"Performance Unit Award" shall mean an Award made pursuant to Section 8 hereof, the payment of which is contingent upon the achievement of performance goals (including Performance Goals) for the particular Performance Period.

"Person" shall have the meaning given in Section 3(a)(9) of the Exchange Act, as modified and used in Sections 13(d) and 14(d) thereof, except that such term shall not include (i) the Company, (ii) a trustee or other fiduciary holding securities under an employee benefit plan of the Company, or (iii) an underwriter temporarily holding securities pursuant to an offering on behalf of the Company.

"Personal Representative" shall mean the person or persons who, upon the Disability or incompetence of a Recipient, shall have acquired on behalf of the Recipient by legal proceeding or otherwise the right to receive the benefits specified in this Plan.

"Plan" shall mean this 2016 Valvoline Incentive Plan.

"Plan Share Limit" shall have the meaning given in Section 3(A) hereof. "Qualifying Termination" shall mean:

(i) in the case of a Participant, termination of the Participant's employment with the Company and its Subsidiaries at any time such that (A) the Participant is age fifty-five (55) or older and has at least ten (10) years of continuous service; and

(ii) in the case of an Outside Director, termination of the Outside Director's service on the Board as a result of a mandatory retirement date established by the Compensation Committee.

"Recipient" shall mean a Participant or an Outside Director, as appropriate.

"Recognition Award" shall mean an Award of Common Stock issued pursuant to Section 9 hereof.

"Restricted Period" shall mean the period during which Restricted Stock or Restricted Stock Units are subject to a substantial risk of forfeiture (based on the passage of time, the achievement of performance goals (including Performance Goals), or upon the occurrence of other events as determined by the Compensation Committee, in its discretion).

"Restricted Stock" shall mean those shares of Common Stock issued pursuant to a Restricted Stock Award which are subject to the restrictions, terms, and conditions set forth in the related Agreement or designated by the Compensation Committee, in its discretion, in accordance with the Plan.

"Restricted Stock Award" shall mean an Award of Restricted Stock pursuant to Section 6 hereof.

"Restricted Stock Units" or "RSUs" shall mean units (or other Common Stock equivalents) issued pursuant to a Restricted Stock Unit Award which are valued in terms of shares of Common Stock and are subject to the restrictions, terms, and conditions set forth in the related Agreement or designated by the Compensation Committee, in its discretion, in accordance with the Plan.

"Restricted Stock Unit Award" or "RSU Award" shall mean an Award of Restricted Stock Units pursuant to Section 6 hereof.

"Stock Appreciation Right" or "SAR" shall mean a right pursuant to a Stock Appreciation Right Award to be paid an amount measured by the appreciation in the Fair Market Value of shares of Common Stock from the date of grant to the date of exercise of the SAR, with payment to be made wholly in cash, wholly in shares of Common Stock or a combination thereof as specified in the Agreement or determined by the Compensation Committee, in its discretion. A SAR may be granted only singly and may not be granted in tandem with an Option.

"Stock Appreciation Right Award" or "SAR Award" shall mean an Award of a Stock Appreciation Right pursuant to Section 10 hereof.

"Subsidiary" shall mean a corporation, company or other entity, whether U.S. or foreign, (i) more than fifty percent (50%) of whose outstanding shares or securities (representing the right to vote for the election of directors or other managing authority) are now or hereafter, owned or controlled, directly or indirectly, by the Company, or (ii) which does not have outstanding shares or securities (as may be the case, for example, in a partnership, limited liability company, joint venture or unincorporated association), but more than fifty percent (50%) of whose ownership interests representing the right generally to make decisions for such other entity is now or hereafter, owned or controlled, directly or indirectly, by the Company; provided, however, that for purposes of determining whether any person may be a Participant for purposes of any grant of Incentive Stock Options, the term "Subsidiary" shall have the meaning given to such term in Section 424(f) of the Code, as interpreted by the regulations thereunder and applicable law.

"Substitute Awards" shall have the meaning given in Section 14 hereof.

"Tax Date" shall mean the date the withholding tax obligation arises with respect to an Award.

"Valvoline Stock distribution" shall mean the transaction or series of transactions initially approved by the Board of Directors of Ashland, Inc. on September 16, 2015 intended to separate the Valvoline business from Ashland Inc.'s specialty chemical business and create two independent, publicly traded companies.

SECTION 3. STOCK SUBJECT TO THIS PLAN

(A) Subject to adjustment as provided under Section 14 hereof, there will be reserved for issuance under this Plan an aggregate of 7,000,000 shares of Common Stock (the "Plan Share Limit"), any or all of which may be delivered with respect to ISO Awards. Subject to adjustment as provided under Section 14 hereof, the following limits shall apply with respect to Awards that are intended to qualify for the Performance-Based Exception: (i) the maximum aggregate number of shares of Common Stock that may be subject to Options or SARs granted in any calendar year to any one Participant shall be 1,000,000 shares; (ii) the maximum aggregate number of Restricted Stock Awards and shares of Common Stock issuable or deliverable under Restricted Stock Unit Awards granted in any calendar year to any one Participant shall be 500,000 shares; and (iii) the maximum aggregate number of shares of Common Stock issuable or deliverable under Performance Unit Awards granted in any calendar year to any one Participant shall be 500,000 shares of Common Stock or, in the case of Performance Unit Awards established in cash, an amount of cash equal to the Fair Market Value (as of the date of grant) of 500,000 shares of Common Stock. Subject to adjustment as provided under Section 14 hereof, the maximum aggregate number of shares of Common Stock that may be issuable or deliverable under Awards granted in any calendar year to any one Outside Director shall be 25,000 shares or, in the case of Awards established in cash, an amount of cash equal to the Fair Market Value (as of the date of grant) of 25,000 shares of Common Stock.

(B) In the event that any Award is paid solely in cash, no shares shall be deducted from the Plan Share Limit by reason of such Award. Shares of Common Stock subject to Awards that are forfeited, terminated, canceled or settled without the delivery of Common Stock under the Plan (including cash settlement) will again be available for Awards under the Plan and credited toward the Plan Share Limit. Notwithstanding any other provision herein, the Plan Share Limit shall not be increased by: (i) shares of Common Stock tendered in full or partial payment of the Exercise Price of an Option, (ii) shares of Common Stock withheld by the Company or any Subsidiary to satisfy a tax withholding obligation in connection with the vesting or exercise of an Award, and (iii) shares of Common Stock that are repurchased by the Company with Option proceeds. Moreover, all shares of Common Stock covered by a SAR, to the extent that it is exercised and settled in shares, and whether or not shares are actually issued or delivered to the Recipient upon exercise of the right, shall be considered issued or delivered pursuant to the Plan for purposes of the Plan Share Limit.

(C) Any shares of Common Stock underlying Restricted Stock Awards, Restricted Stock Unit Awards, Recognition Awards, Incentive Awards, Performance Unit Awards and Dividend Equivalents (collectively, "Full-Value Awards") that are issued or delivered under the Plan shall reduce the Plan Share Limit by 4.5 shares for every one share of Common Stock issued or delivered in connection with such Full-Value Award, and any shares covered by an Award other than a Full-Value Award shall reduce the Plan Share Limit by one share for every one share of Common Stock issued or delivered under such Award. Any shares of Common Stock that again become available for issuance or delivery pursuant to Section 3(B) of the Plan shall be credited toward the Plan Share Limit in the same manner as such shares were originally deducted from the Plan Share Limit pursuant to this Section 3(C).

SECTION 4. ADMINISTRATION

The Compensation Committee shall have the exclusive authority to administer this Plan.

In addition to any implied powers and duties that may be needed to carry out the provisions hereof the Compensation Committee shall have all the powers vested in it by the terms hereof, including exclusive authority to select the Recipients, to determine the type, size and terms of the Awards to be made to each Recipient, to determine the time when Awards will be granted, and to prescribe the form of the Agreement embodying Awards made under this Plan. The Compensation Committee shall be authorized to interpret this Plan and the Awards (including Substitute Awards) granted under this Plan, to establish, amend and rescind any rules and regulations relating to this Plan, to provide for accelerated vesting of any outstanding Awards, to make any other determinations which it believes necessary or advisable for the administration hereof, and to correct any defect or supply any omission or reconcile any inconsistency in this Plan or in any Award in the manner and to the extent the Compensation Committee, in its discretion, deems desirable to carry it into effect. To the extent permitted by applicable laws, the Compensation Committee may, in

its discretion, delegate to one or more directors or Employees any of the Compensation Committee's authority under this Plan. The acts of any such delegates shall be treated hereunder as acts of the Compensation Committee with respect to any matters so delegated.

The Compensation Committee shall have no obligation to treat Recipients or eligible Employees or non-employee directors uniformly, and the Compensation Committee may, in its discretion, make determinations under this Plan selectively among Recipients who receive, or Employees or directors who are eligible to receive, Awards (whether or not such Recipients or eligible Employees or directors are similarly situated). All determinations and decisions made by the Compensation Committee, in its discretion, pursuant to the provisions of this Plan and all related orders and resolutions of the Compensation Committee shall be final, conclusive and binding on all persons, including the Company, its Subsidiaries, shareholders, Participants, Outside Directors, Employees, directors and their estates, Beneficiaries and Personal Representatives.

Notwithstanding any other provision of this Plan, the Board may reserve to itself any or all of the authority or responsibility of the Compensation Committee under this Plan or may act as the administrator of the Plan for any and all purposes. To the extent that the Board has reserved any such authority or responsibility or during any time that the Board is acting as administrator of the Plan, it shall have all the powers of the Compensation Committee hereunder, and any reference herein to the Compensation Committee (other than in this paragraph) shall include the Board. To the extent that any action of the Board under the Plan conflicts with any action of the Compensation Committee, the action of the Board shall control.

SECTION 5. ELIGIBILITY

Awards may only be granted to Participants and Outside Directors, provided that Outside Directors may not be granted ISOs, Incentive Awards, Performance Unit Awards or Recognition Awards.

SECTION 6. RESTRICTED STOCK AND RESTRICTED STOCK UNIT (RSU) AWARDS

(A) *Grant* . Any Recipient may receive one or more Restricted Stock Awards or RSU Awards, as the Compensation Committee, in its discretion, shall from time to time determine.

(B) *Restricted Periods* .

(1) Participants . The Restricted Period for each Restricted Stock Award or RSU Award to a Participant shall be set forth in the applicable Agreement. Except as otherwise provided in an Agreement upon a termination of employment or pursuant to Section 12 in the event of a Change in Control, a Restricted Stock Award or RSU Award granted to a Participant shall have a minimum Restricted Period of (i) one (1) year in the case of restrictions that lapse based on the achievement of performance goals (including Performance Goals); and (ii) three (3) years in the case of restrictions that lapse based solely on the passage of time, which period may, at the discretion of the Compensation Committee, lapse on a pro- rated, graded, or cliff basis (as specified in the Agreement); provided that in the Compensation Committee's sole discretion, no more than five percent (5%) of the shares of Common Stock available for issuance as Restricted Stock Awards or pursuant to RSU Awards under the Plan may be granted with a Restricted Period of less than three (3) years.

(2) Termination of Employment or Service . Except as otherwise provided in the Agreement or as determined by the Compensation Committee, in its discretion, in the event that a Restricted Stock Award or RSU Award has been made to a Recipient whose employment or service as a director is subsequently terminated for any reason prior to the lapse of all restrictions thereon, such Restricted Stock or RSU shall be forfeited in its entirety by such Recipient.

Certain Restricted Stock Award Provisions.

(1) Shareholder Rights; Restrictions on Transferability . Upon the granting of a Restricted Stock Award, a Recipient shall be entitled to all rights incident to ownership of Common Stock of the Company with

respect to his or her Restricted Stock, including, but not limited to, the right to vote such shares of Restricted Stock and to receive dividends thereon when, as and if paid in cash, shares of Restricted Stock or Dividend Equivalents, as set forth in the applicable Agreement or as determined by the Compensation Committee, in its discretion. Each such grant of Restricted Stock may be made without additional consideration or in consideration of a payment by such Recipient that may be less than the Fair Market Value per share of Common Stock at the date of grant. Subject to Section 16(B) hereof, Restricted Stock may not be sold, assigned, transferred, pledged, or otherwise encumbered during a Restricted Period.

(2) Restrictions; Dividends on Restricted Stock . During the Restricted Period, (a) any certificates representing the Restricted Stock shall be registered in the Recipient's name and bear a restrictive legend to the effect that ownership of such Restricted Stock, and the enjoyment of all rights appurtenant thereto are subject to the restrictions, terms, and conditions provided in this Plan and the applicable Agreement, and (b) all uncertificated shares of Restricted Stock shall be held by the Company (or its transfer agent) in book entry form with appropriate restrictions relating to the transfer of such shares of Restricted Stock and the other terms and conditions provided in the Plan. Any such certificates shall be deposited by the Recipient with the Company, together with stock powers or other instruments of assignment, each endorsed in blank, which will permit transfer to the Company of all or any portion of the Restricted Stock which shall be forfeited in accordance with this Plan and the applicable Agreement. Restricted Stock shall constitute issued and outstanding shares of Common Stock for all corporate purposes. Notwithstanding the foregoing: (i) the Recipient will not be entitled to delivery of any stock certificates representing such Restricted Stock until the restrictions applicable thereto shall have expired; (ii) the Company will retain custody of all shares of Restricted Stock issued as a dividend or otherwise with respect to an Award of Restricted Stock (and such issued shares of Restricted Stock shall be subject to the same restrictions, terms and conditions as are applicable to the awarded Restricted Stock) until such time, if ever, as such shares of Restricted Stock shall have become vested, and Restricted Stock shall not bear interest or be segregated in separate accounts; (iii) subject to Section 16(B) hereof, the Recipient may not sell, assign, transfer, pledge, exchange, encumber, or dispose of any Restricted Stock during the Restricted Period; and (iv) unless otherwise determined and directed by the Compensation Committee, in its discretion, a breach of any restrictions, terms, or conditions provided in this Plan, the applicable Agreement or established by the Compensation Committee with respect to any Restricted Stock will cause a forfeiture of such awarded Restricted Stock (including any Restricted Stock issued as a dividend or otherwise) with respect thereto. Notwithstanding anything contained in this Section 6(C)(2) to the contrary, cash dividends or other distributions with respect to Restricted Stock Awards that vest based on the achievement of performance goals (including Performance Goals) shall be accumulated until such Award is earned, and the cash dividends or other distributions shall not be paid if the performance goals (including Performance Goals) are not satisfied.

(C) *Certain Restricted Stock Unit (RSU) Award Provisions* .

(1) General. Each RSU Award shall constitute an agreement by the Company to issue or deliver shares of Common Stock or cash to the Recipient following the end of the applicable Restricted Period in consideration of the performance of services. Each such grant of Restricted Stock Units may be made without additional consideration or in consideration of a payment by such Recipient that may be less than the Fair Market Value per share of Common Stock at the date of grant.

(2) No Shareholder Rights; Dividend Equivalents . A Recipient who receives an RSU Award shall not have any rights as a shareholder with respect to the shares of Common Stock subject to such RSUs until such time, if any, that shares of Common Stock are delivered to the Recipient pursuant to the terms of the applicable Agreement. A Recipient who receives an RSU Award shall have such rights, if any, to Dividend Equivalents as shall be set forth in the applicable Agreement or as determined by the Compensation Committee, in its discretion.

(3) Payment . Unless otherwise determined by the Compensation Committee, in its discretion, each Agreement shall set forth the payment date for the RSU Award, which date shall not be earlier than the end of the applicable Restricted Period. Payment of earned Restricted Stock Units (and Dividend Equivalents,

if applicable) may be made in one or more installments and may be made wholly in cash, wholly in shares of Common Stock or a combination thereof, as determined by the Compensation Committee, in its discretion.

SECTION 7. INCENTIVE AWARDS

(A) *Grant* . Any Participant may receive one or more Incentive Awards, as the Compensation Committee shall from time to time determine.

(B) *Terms and Conditions.*

(1) Performance Goals . No later than one hundred and twenty (120) days (or, in the case of Awards that are intended to qualify for the Performance-Based Exception, ninety (90) days or such shorter period as is required under the Performance-Based Exception) after the commencement of each Performance Period, the Compensation Committee shall establish in writing one or more performance goals (including Performance Goals) that must be reached by a Participant in order to receive an Incentive Award for such Performance Period. Except with respect to Awards that are intended to qualify for the Performance-Based Exception, the Compensation Committee shall have the discretion to later revise the performance goals (including Performance Goals) and the amount to be paid out upon the attainment of such goals for any reason, including the reflection of promotions, transfers or other changes in a Participant's employment so long as such changes are consistent with the performance goals (including Performance Goals) established for other Participants in the same or similar positions. Performance goals (including Performance Goals) established for Awards that are intended to qualify for the Performance-Based Exception may only be adjusted to reduce or eliminate the amount of compensation otherwise payable upon attainment of the performance goals (including Performance Goals).

(2) Award Limits . The target Incentive Award shall be a fixed percentage of the Participant's base salary paid during the year. The maximum aggregate compensation that can be paid pursuant to an Incentive Award granted in any calendar year to any one Participant shall be ten million dollars ($10,000,000) or a number of shares of Common Stock having an aggregate Fair Market Value (as of the date of grant) not in excess of such amount.

(C) *Payment* . Payment of Incentive Awards may be made in one or more installments and may be made wholly in cash, wholly in shares of Common Stock or a combination thereof as determined by the Compensation Committee. Except as otherwise provided in the applicable Agreement, payments shall be made no later than the fifteenth day of the third month following the later of (i) the end of the tax year of the Participant in which the Performance Period ends and (ii) the end of the tax year of the Company in which the Performance Period ends.

If payment of an Incentive Award shall be made all or partially in shares of Common Stock, the number of shares of Common Stock to be delivered to a Participant on any payment date shall be determined by dividing (x) the dollar amount of such Incentive Award to be paid (or the part thereof determined by the Compensation Committee to be delivered in shares) by (y) the Fair Market Value on the date the Compensation Committee approves payment of the Incentive Award or as of such other date or dates as the Compensation Committee shall determine.

(D) *Termination* . Unless otherwise provided in an Agreement or determined and directed by the Compensation Committee, an Incentive Award shall terminate if the Participant does not remain continuously employed and in good standing with the Company or any of its Subsidiaries until the last business day of the month immediately preceding the month in which such Incentive Award is otherwise payable. Unless otherwise provided in an Agreement or determined and directed by the Compensation Committee, in the event a Participant's employment is terminated because of death, Disability, Qualifying Termination or other employment termination event determined in the discretion of the Compensation Committee, the Participant (or his or her Beneficiaries or estate) shall receive the prorated portion of the payment of an Incentive Award for which the Participant would have otherwise been eligible, based upon the portion of the Performance Period during which he or she was so employed, at such time

such Incentive Award is otherwise payable, so long as the performance goals (including Performance Goals) are subsequently achieved.

SECTION 8. PERFORMANCE UNIT AWARDS

(A) *Grant* . Any Participant may receive one or more Performance Unit Awards, as the Compensation Committee shall from time to time determine. Each Performance Unit Award shall be established in dollars or shares of Common Stock, or a combination of both, as determined by the Compensation Committee.

(B) *Performance Goals* . The performance goals (including Performance Goals) and Performance Period applicable to a Performance Unit Award shall be set forth in writing by the Compensation Committee no later than one hundred and twenty (120) days (or, in the case of Awards that are intended to qualify for the Performance-Based Exception, ninety (90) days or such shorter period as is required under the Performance-Based Exception) after the commencement of the Performance Period. Except with respect to Awards that are intended to qualify for the Performance- Based Exception, the Compensation Committee shall have the discretion to later revise the performance goals (including any Performance Goals) and the amount to be paid out upon the attainment of such goals for any reason including the reflection of promotions, transfers or other changes in a Participant's employment so long as such changes are consistent with the Performance Goals established for other Participants in the same or similar positions. Goals established for Awards that are intended to qualify for the Performance-Based Exception may only be adjusted to reduce or eliminate the amount of compensation otherwise payable upon attainment of the Performance Goals.

(C) *Payment* .

(1) General. The amount of payment with respect to Performance Unit Awards shall be determined by the Compensation Committee and shall be based on the original amount of such Performance Unit Award (including any Dividend Equivalents with respect thereto) adjusted to reflect the attainment of the Performance Goals during the Performance Period. Payment may be made in one or more installments and may be made wholly in cash, wholly in shares of Common Stock or a combination thereof as determined by the Compensation Committee. Except as otherwise provided in the applicable Agreement, payments shall be made no later than the fifteenth day of the third month following the later of (i) the end of the tax year of the Participant in which the Performance Period ends and (ii) the end of the tax year of the Company in which the Performance Period ends. Any payment may be subject to such restrictions and conditions as the Compensation Committee may determine.

(2) Payment in Common Stock . If payment of a Performance Unit Award established in dollars is to be made in shares of Common Stock or partly in such shares, the number of shares of Common Stock to be delivered to a Participant on any payment date shall be determined by dividing (i) the amount payable with respect to such Performance Unit Award by (ii) the Fair Market Value of the Common Stock on the date the Compensation Committee approves payment of the Performance Unit Award or as of such other date or dates as the Compensation Committee shall determine.

(3) Payment in Cash . If payment of a Performance Unit Award established in shares of Common Stock is to be made in cash or partly in cash, the amount of cash to be paid to a Participant on any payment date shall be determined by multiplying (i) the number of shares of Common Stock to be paid in cash with respect to such Performance Unit Award, by (ii) the Fair Market Value of the Common Stock on the date the Compensation Committee approves payment of the Performance Unit Award or as of such other date or dates as the Compensation Committee shall determine.

(D) *Termination* . Unless otherwise provided in an Agreement or determined and directed by the Compensation Committee, a Performance Unit Award (including any Dividend Equivalents with respect thereto) shall terminate for all purposes if the Participant does not remain continuously employed and in good standing with the Company or any of its Subsidiaries until the last business day of the month immediately preceding the month in which such Performance Unit Award is otherwise payable. Unless otherwise provided in an Agreement or determined

and directed by the Compensation Committee, a Participant (or his or her Beneficiaries or estate) whose employment was terminated because of death, Disability, Qualifying Termination or other employment termination event determined in the discretion of the Compensation Committee will receive a prorated portion of the payment of his or her Performance Unit Award (including any Dividend Equivalents with respect thereto), based upon the portion of the Performance Period during which he or she was so employed, at such time as such Performance Unit Award is otherwise payable, so long as the Performance Goals are subsequently achieved.

SECTION 9. RECOGNITION AWARDS

Any Participant may receive a Recognition Award under this Plan for such reasons and in such amounts as the Compensation Committee may from time to time determine.

SECTION 10. OPTIONS AND SAR AWARDS

(A) *Grant* . Any Recipient may receive one or more Option or SAR Awards, as the Compensation Committee, in its discretion, shall from time to time determine.

(B) *Designation and Price* .

(1) Any Option granted under this Plan may be granted as an Incentive Stock Option or as a Nonqualified Stock Option as shall be designated by the Compensation Committee, in its discretion, at the time of the grant of such Option. Only Participants may be granted ISOs. Each Option and SAR shall, at the discretion of the Compensation Committee, be evidenced by an Agreement, which Agreement shall specify the designation of the Option as an ISO or a NQSO, as the case may be, and shall contain such terms and conditions as the Compensation Committee, in its sole discretion, may determine in accordance with this Plan.

(2) Every ISO shall provide for a fixed expiration date of not later than ten (10) years from the date such ISO is granted. Every NQSO and SAR shall provide for a fixed expiration date of not later than ten (10) years and one month from the date such NQSO or SAR is granted.

(3) The Exercise Price of Common Stock issued pursuant to each Option or SAR shall be fixed by the Compensation Committee at the time of the granting of the Option or SAR; provided, however, that such Exercise Price shall in no event ever be less than 100% of the Fair Market Value of the Common Stock on the date such Option or SAR is granted, subject to adjustment as provided in Section 14.

(C) *Exercise* . The Compensation Committee may, in its discretion, provide for Options or SARs granted under this Plan to be exercisable in whole or in part. The specified number of shares of Common Stock will be issued after receipt by the Company of (i) notice from the holder thereof of the exercise of an Option or SAR, and (ii) with respect to Options, payment to the Company (as provided in subsection (D) of this Section) of the Exercise Price for the number of shares with respect to which the Option is exercised. Each such notice and payment shall be delivered or mailed to the Company at such place and in such manner as the Company may designate from time to time.

(D) *Payment* .

(1) Options . Except as otherwise provided in this Section 10, the Exercise Price for the Common Stock issuable pursuant to an Option shall be paid in full when the Option is exercised. Subject to such rules as the Compensation Committee in its discretion may impose, the Exercise Price may be paid in whole or in part: (i) in cash; (ii) by tendering (either by actual delivery or attestation) unencumbered shares of Common Stock previously acquired by the Recipient exercising such Option having an aggregate Fair Market Value at the time of exercise equal to the total Exercise Price; (iii) by a combination of such methods of payment; or (iv) by such other consideration as shall constitute lawful consideration for the issuance of Common Stock and approved by the Compensation Committee in its discretion (including, without limitation, effecting a cashless exercise of the Option with a broker or by having the Company withhold shares of Common Stock from the

shares of Common Stock otherwise issuable pursuant to the exercise of the Option (for the avoidance of doubt, the shares of Common Stock so withheld shall be counted against the Plan Share Limit)).

(2) Stock Appreciation Rights . A SAR shall entitle the holder thereof, upon exercise, to surrender the SAR and receive in exchange therefore an amount equal to (i) the excess, if any, of (x) the Fair Market Value of a share of Common Stock at the time the SAR is exercised over (y) the Exercise Price specified in such SAR, (ii) multiplied by the number of shares of Common Stock covered by such SAR, or portion thereof, which is so surrendered. Such amount shall be paid to the holder in shares of Common Stock the number of which shall be determined by dividing such amount by the Fair Market Value of the Common Stock at the time the holder makes an effective exercise of the right to receive such amount; provided that, subject to Section 15 hereof, the exercise of any SAR may be settled wholly in cash or a combination of cash and shares of Common Stock as set forth in the Agreement or as determined by the Compensation Committee in its discretion.

(E) *Expiration or Termination of Awards.*

(1) Participants .

(a) Except as otherwise provided in the Agreement or as determined by the Compensation Committee, and subject to the provisions of Section 12(A) hereof, every Option and SAR granted to a Participant shall provide that it may not be exercised in whole or in part prior to the first anniversary of the date of its grant of granting such Option or SAR (unless otherwise determined by the Compensation Committee) and if the employment of the Participant shall terminate prior to the end of such first anniversary (or such other period determined by the Compensation Committee), the Option or SAR granted to such Participant shall immediately terminate.

(b) Except as otherwise provided in the Agreement or as determined by the Compensation Committee, in the event the Participant dies (i) while employed, (ii) during the periods in which Options or SARs may be exercised by a Participant determined to be Disabled, or (iii) after Qualifying Termination, such Option or SAR shall be exercisable, at any time or from time to time, prior to the fixed termination date set forth in the Option or SAR, by the Beneficiaries of the decedent for the number of shares which the Participant could have acquired under the Option or SAR immediately prior to the Participant's death.

(c) Except as otherwise provided in the Agreement or as determined by the Compensation Committee, in the event the employment of any Participant shall cease by reason of Disability, as determined by the Compensation Committee at any time during the term of the Option or SAR, such Option or SAR shall be exercisable, at any time or from time to time, prior to the fixed termination date set forth in the Option or SAR, by such Participant or his or her Personal Representative for the number of shares which the Participant could have acquired under the Option or SAR immediately prior to the Participant's Disability. The determination by the Compensation Committee of any question involving Disability of a Participant shall be conclusive and binding.

(d) Except as otherwise provided in the Agreement or as determined by the Compensation Committee, in the event the employment of any Participant shall cease by reason of Qualifying Termination, such Option or SAR shall be exercisable, at any time or from time to time, prior to the fixed termination date set forth in the Option or SAR, for the number of shares which the Participant could have acquired under the Option or SAR immediately prior to such Qualifying Termination.

(e) Notwithstanding any provision of this Plan to the contrary, any Option or SAR may, in the discretion of the Compensation Committee or as provided in the relevant Agreement, become exercisable, at any time or from time to time, prior to the fixed termination date set forth in the Option or SAR, for the full number of awarded shares or any part thereof, less such number as may have been theretofore acquired under the Option or SAR from and after the time the Participant ceases to be an Employee as a result of the sale or other disposition by the Company or any of its Subsidiaries of assets or property

(including shares of any Subsidiary) in respect of which such Participant had theretofore been employed or as a result of which such Participant's continued employment is no longer required.

(f) Except as provided in subsections (b), (c), (d) and (e) of this Section 10(E)(1) and Sections 12(A) and 16(H) hereof, every Option and SAR shall terminate on the earlier to occur of the fixed termination date set forth in the Option or SAR or ninety (90) days after cessation of the Participant's employment for any reason in respect of the number of shares of Common Stock which the Participant could have acquired under the Option or SAR immediately prior to such cessation of employment; provided, however, that no Option or SAR may be exercised after the fixed termination date set forth in the Option or SAR, which shall be no more than ten (10) years from the date of grant.

(2) Outside Directors .

(a) Except as otherwise provided in the Agreement or as determined by the Compensation Committee, and subject to the provisions of Section 12(A) hereof, every Option and SAR granted to an Outside Director shall provide that, unless otherwise determined by the Compensation Committee, (i) it may not be exercised in whole or in part until the earlier to occur of (1) the one-year anniversary of the date of granting such Option or SAR and (2) the next annual meeting of shareholders immediately following the date of granting such Option or SAR and (ii) if the service of the Outside Director shall terminate prior to the end of such one year period (or such other period determined by the Compensation Committee), the Option or SAR granted to such Outside Director shall immediately terminate.

(b) Except as otherwise provided in the Agreement or as determined by the Compensation Committee, in the event the service of any Outside Director as a director of the Company ceases by reason of Qualifying Termination, death, Disability or other event as determined in the discretion of the Compensation Committee, then any unexercised Options or SARs granted to such Outside Director shall be exercisable, at any time or from time to time, prior to the fixed termination date set forth in the Option or SAR, by such Outside Director, his or her Personal Representative or his or her Beneficiaries for the number of shares which the Outside Director could have acquired under the Option or SAR immediately prior to the Outside Director's Qualifying Termination, death or Disability, as applicable. The determination by the Compensation Committee of any question involving Disability of an Outside Director shall be conclusive and binding.

SECTION 11. CONTINUED EMPLOYMENT

Nothing in this Plan, or in any Award granted pursuant to this Plan, shall confer on any individual any right to continue in the employment of, or service (as an Outside Director or otherwise) to, the Company or any of its Subsidiaries or interfere in any way with the right of the Company or any of its Subsidiaries to terminate the Participant's employment with or service to the Company at any time.

SECTION 12. CHANGE IN CONTROL

(A) *Treatment of Awards* . The following provisions of this Section 12(A) shall govern the treatment of Awards in the event of a Change in Control, except to the extent otherwise provided in an applicable Agreement:

(1) Outstanding Awards may be assumed, continued, converted or replaced by the surviving or resulting entity in connection with a Change in Control, as determined by the Compensation Committee in its sole discretion prior to such Change in Control in accordance with Section 12(A)(3), without the consent of the affected Recipient. Any outstanding Award that is assumed, continued, converted or replaced by the surviving or resulting entity in connection with a Change in Control shall continue to vest (and become exercisable, as applicable) subject to the Recipient's continued employment or service with such surviving or resulting entity or its Subsidiaries in accordance with the vesting schedule and other terms set forth in the applicable Agreement; provided that, in the event of the termination of a Participant's employment with such surviving or resulting entity or its Subsidiaries without Cause during the one-year period immediately following the date of the

Change in Control, any such Award (or portion thereof) that is then unvested shall immediately vest (and become exercisable, as applicable) and become free of all other restrictions.

(2) Any outstanding Award that is not assumed, continued, converted or replaced by the surviving or resulting entity in connection with a Change in Control shall immediately vest and become free of all other restrictions upon the date of the Change in Control.

(3) An Award will not be considered to be assumed, continued, converted or replaced by the surviving or resulting entity in connection with a Change in Control unless, in each case as determined by the Compensation Committee in its sole discretion prior to such Change in Control, the number and kind of shares or other securities underlying the Award, and the exercise prices and performance goals (including Performance Goals) applicable thereto, if any, are adjusted (or, in the case of performance goals (including Performance Goals), measured or deemed achieved in full or in part as of immediately prior to such Change in Control) to prevent dilution of the Recipient's rights hereunder and to preserve the intrinsic value and material terms and conditions of the Award as in effect as of immediately prior to the Change in Control.

(B) *Cash-out of Awards* . In connection with a Change in Control, the Compensation Committee may, in its sole discretion, and without the consent of the affected Recipient, either by the terms of the Agreement applicable to any Award or by resolution adopted prior to the occurrence of the Change in Control, provide that any outstanding Award (or a portion thereof) shall, upon the occurrence of such Change in Control, be cancelled in exchange for a payment in cash in an amount based on the Fair Market Value of the shares of Common Stock subject to the Award (less any Exercise Price), which amount may be zero (0), if applicable.

SECTION 13. WITHHOLDING TAXES

Federal, state, local, non-United States or other law may require the withholding of taxes applicable to gains resulting from the payment or vesting of an Award. Unless otherwise prohibited by the Compensation Committee, the Company may permit or require (subject to such conditions or procedures as may be established by the Compensation Committee in its discretion) any such tax withholding obligation of a Recipient to be satisfied by any of the following means, or by a combination of such means: (i) a cash payment from Recipient; (ii) withholding from the shares of Common Stock otherwise issuable to the Recipient pursuant to the vesting or exercise of an Award a number of shares of Common Stock having a Fair Market Value, as of the Tax Date, equal to the maximum amount that may be withheld under Financial Accounting Standards Board Accounting Standards Codification Topic 718 without creating an additional accounting charge; or (iii) having the Recipient deliver to the Company a number of shares of Common Stock having a Fair Market Value as of the Tax Date which will satisfy the withholding tax obligation (in whole or in part) arising from the vesting or exercise of an Award. If the payment specified in clauses (i) or (iii) of the preceding sentence is not paid by a Recipient, the Compensation Committee may refuse to issue Common Stock under this Plan.

SECTION 14. ADJUSTMENTS UPON CHANGES IN CAPITALIZATION

In the event of any change in the outstanding Common Stock of the Company by reason of any stock split, stock dividend, recapitalization, merger, consolidation, reorganization, combination, or exchange of shares, split-up, split-off, stock distribution, liquidation or other similar change in capitalization, or any distribution to common shareholders other than normal cash dividends, the number or kind of shares (or other property) that may be issued under this Plan pursuant to Section 3 hereof, the number or kind of shares (or other property) subject to any outstanding Award and the price per share and performance goals applicable to any outstanding Award shall be automatically adjusted, as determined by the Compensation Committee in its sole discretion, so that the proportionate interest of the Recipient shall be maintained as before the occurrence of such event. Such adjustment shall be conclusive and binding for all purposes hereof.

Awards may, in the discretion of the Compensation Committee, be granted under this Plan in assumption of, or in substitution for, the Assumed Valvoline Awards and outstanding awards previously granted by a company acquired by the Company or any of its affiliates or with which the Company or any of its affiliates combines ("Substitute

Awards"). The number of Shares underlying any Substitute Awards (including the Assumed Valvoline Awards) shall not be counted against the Plan Share Limit; provided , however , that, Substitute Awards issued in connection with the assumption of, or in substitution for, outstanding stock options intended to qualify for special tax treatment under Sections 421 and 422 of the Code that were previously granted by a company that is acquired by the Company or any of its affiliates or with which the Company or any of its affiliates combines shall be counted against number of shares of Common Stock which may be delivered with respect to ISO Awards. Except as otherwise determined by the Compensation Committee, any Substitute Awards granted under this Plan in assumption of, or in substitution of, the Assumed Valvoline Awards shall be subject to the same terms and conditions as were in effect with respect to the Assumed Valvoline Awards as of immediately prior to such assumption or substitution.

SECTION 15. AMENDMENT AND TERMINATION

The Board may amend, alter, suspend or terminate this Plan in whole or in part and at any time; provided, however, that no alteration or amendment that requires shareholder approval in order for the Plan to continue to comply with the New York Stock Exchange rules or any rule promulgated by the Securities and Exchange Commission or any other securities exchange on which shares of Common Stock are listed or any other applicable laws shall be effective unless such amendment shall be approved by the requisite vote of shareholders of the Company entitled to vote thereon within the time period required under such applicable listing standard or rule.

Except for adjustments made pursuant to Section 14 hereof, the Board or the Compensation Committee will not, without the further approval of the shareholders of the Company, authorize the amendment of any outstanding Option or SAR to reduce the Exercise Price. No Option or SAR will be cancelled and replaced with Awards having a lower Exercise Price or for another Award or for cash without further approval of the shareholders of the Company, except as provided in Section 12 or 14 hereof. Furthermore, no Option or SAR will provide for the payment, at the time of exercise, of a cash bonus or grant or sale of another Award without further approval of the shareholders of the Company. This Section 15 is intended to prohibit the cash-out or repricing of "underwater" Options or SARs without shareholder approval and will not be construed to prohibit the adjustments provided for in Section 12 or 14 hereof.

Termination of this Plan shall not affect any Awards made hereunder which are outstanding on the date of termination and such Awards shall continue to be subject to the terms of this Plan notwithstanding its termination. Except as otherwise provided pursuant to this Plan, no amendment, suspension, or modification of this Plan or an Agreement shall adversely affect in any material way any Award previously granted under the Plan, without the written consent of the Recipient holding such Award; provided that the Compensation Committee in its discretion may modify an ISO held by a Participant to disqualify such Option from treatment as an "incentive stock option" under Section 422 of the Code without the Participant's consent.

SECTION 16. MISCELLANEOUS PROVISIONS

(A) *Rights to Awards* . No Recipient or other person shall have any claim or right to be granted an Award under this Plan.

(B) *Assignment and Transfer* . A Recipient's rights and interests under this Plan (including any Awards granted hereunder) may not be assigned or transferred in whole or in part, either directly or by operation of law or otherwise (except in the event of a Recipient's death, by will or the laws of descent and distribution), including, but not by way of limitation, execution, levy, garnishment, attachment, pledge, bankruptcy or in any other manner, and no such rights or interests of any Recipient in this Plan shall be subject to any obligation or liability of such individual; provided, however, that a Recipient's rights and interests under this Plan (including any Awards granted hereunder) may, subject to the discretion and direction of the Compensation Committee, be made transferable by such Recipient during his or her lifetime. Except as specified in Section 6 hereof, the holder of an Award shall have none of the rights of a shareholder until the shares subject thereto shall have been registered in the name of the person receiving or person or persons exercising the Award on the transfer books of the Company.

(C) *Compliance with Legal and Exchange Requirements* . The Plan, the granting and exercising of Awards hereunder, the issuance of Common Stock and other interests hereunder, and the other obligations of the Company under the Plan and any Agreement pursuant to the Plan, shall be subject to all applicable United States federal and

state laws, rules and regulations, the applicable laws, rules and regulations of any other country or jurisdiction, and to such approvals by any regulatory or governmental agency as may be required. The Company or the Compensation Committee, in their respective discretion, may postpone the granting, vesting and exercising of Awards, the issuance or delivery of Common Stock under any Award or any other action permitted under the Plan to permit the Company, with reasonable diligence, to complete such stock exchange listing or registration or qualification of such Common Stock or other required action under any federal or state law, rule, or regulation and may require any Recipient to make such representations and furnish such information as the Compensation Committee may consider appropriate in connection with the issuance or delivery of Common Stock in compliance with applicable laws, rules, and regulations. The Company shall not be obligated by virtue of any provision of the Plan to recognize the vesting or exercise of any Award or to otherwise sell or issue Common Stock in violation of any such laws, rules, or regulations; and any postponement of the vesting, exercise or settlement of any Award under this provision shall not extend the term of such Awards, and neither the Company nor any of its Subsidiaries, directors or officers shall have any obligations or liability to any Recipient with respect to any Award (or Common Stock issuable thereunder) that shall lapse because of such postponement.

(D) *Ratification and Consent* . By accepting any Award under this Plan, each Recipient and each Personal Representative or Beneficiary claiming under or through him or her shall be conclusively deemed to have indicated his or her acceptance and ratification of, and consent to, any action taken under this Plan by the Company or any of its Subsidiaries, the Board, or the Compensation Committee in its discretion.

(E) *Additional Compensation* . Nothing contained in this Plan shall prevent the Board from adopting other or additional compensation arrangements, subject to shareholder approval if such approval is required.

(F) *Grant Date* . Each Recipient shall be deemed to have been granted any Award on the date the Compensation Committee took action to grant such Award under this Plan or such date as the Compensation Committee in its discretion shall determine at the time such Award is authorized. The grant date shall not be earlier than the date of the resolution and action therein by the Compensation Committee.

(G) *Fractional Shares* . No fractional shares shall be issued or delivered pursuant to this Plan or any Award. The Compensation Committee in its discretion shall determine whether cash, other Awards, or other property shall be issued or paid in lieu of fractional shares or whether such fractional shares or any rights thereto shall be forfeited or otherwise eliminated.

(H) *Forfeiture Provision* . Unless the Agreement specifies otherwise, the Compensation Committee in its discretion may require a Recipient to forfeit all unexercised, unearned, unvested or unpaid Awards if:

(1) the Recipient, without written consent of the Company, engages directly or indirectly in any manner or capacity as principal, agent, partner, officer, director, employee or otherwise in any business or activity competitive with the business conducted by the Company or any of its Subsidiaries, as determined by the Compensation Committee in its discretion;

(2) the Recipient performs any act or engages in any activity that is detrimental to the best interests of the Company or any of its Subsidiaries, as determined by the Compensation Committee in its discretion; or

(3) the Recipient breaches any agreement or covenant with, or obligation or duty to, the Company or any Subsidiary, including without limitation, any non-competition agreement, non-solicitation agreement, confidentiality or non-disclosure agreement, or assignment of inventions or ownership of works agreement, as determined by the Compensation Committee in its discretion.

(I) *Compensation Recovery Policy* . Each Award granted to a Participant under the Plan shall be subject to forfeiture or repayment pursuant to the terms of any applicable compensation recovery policy adopted by the Company as in effect from time to time, including any such policy that may be adopted or amended to comply with

the Dodd-Frank Wall Street Reform and Consumer Protection Act or any rules or regulations issued by the Securities and Exchange Commission or applicable securities exchange.

(J) *Severability* . The validity, legality, or enforceability of the Plan will not be affected even if one or more of the provisions of this Plan shall be held to be invalid, illegal, or unenforceable in any respect.

(K) *Section 409A* . The Company intends that Awards granted under the Plan will be designed and administered in such a manner that they are either exempt from the application of, or comply with, the requirements of Section 409A of the Code. To the extent that the Compensation Committee in its discretion determines that any award granted under the Plan is subject to Section 409A of the Code, the Agreement shall incorporate the terms and conditions necessary to avoid the imposition of an additional tax under Section 409A of the Code upon a Recipient. The Compensation Committee reserves the right to make amendments to any Award as it deems necessary or desirable to avoid the imposition of taxes or penalties under Section 409A of the Code. Notwithstanding any other provision of the Plan or any Agreement (unless the Agreement provides otherwise with specific reference to this Section): (i) an Award shall not be granted, deferred, accelerated, extended, paid out, settled, substituted or modified under the Plan in a manner that would result in the imposition of an additional tax under Section 409A of the Code upon a Recipient; and (ii) if an Award is subject to Section 409A of the Code, and if the Recipient holding the Award is a "specified employee" (as defined in Section 409A of the Code, with such classification to be determined in accordance with the methodology established by the Company), no distribution or payment of any amount under the Award as a result of such Recipient's "separation from service" (as defined in Section 409A of the Code) shall be made before a date that is six (6) months following the date of such separation from service or, if earlier, the date of the Recipient's death. Although the Company intends to administer the Plan so that Awards will be exempt from, or will comply with, the requirements of Section 409A of the Code, the Company does not warrant that any Award under the Plan will qualify for favorable tax treatment under Section 409A of the Code or any other provision of federal, state, local, non-United States or other law. The Company shall not be liable to any Recipient for any tax, interest, or penalties a Recipient might owe as a result of the grant, holding, vesting, exercise, or payment of any Award under the Plan.

(L) *Awards to Participants Outside the United States* . Notwithstanding any provision of this Plan to the contrary, in order to comply with the laws in other countries in which the Company and its Subsidiaries operate or have Employees or otherwise to foster and promote achievement of the purposes of this Plan, the Compensation Committee, in its sole discretion, shall have the power and authority, without any amendment to the Plan, to: (i) determine which non-United States Subsidiaries shall be covered by this Plan; (ii) determine which foreign nationals and Employees outside the United States are eligible to participate in this Plan; (iii) modify the terms and conditions of any Award granted to Participants who are foreign nationals, who are employed outside the United States or who are otherwise subject to the laws of one or more non-United States jurisdictions; (iv) grant Awards to Participants who are foreign nationals, who are employed outside the United States or who are otherwise subject to the laws of one or more non-United States jurisdictions, on such terms and conditions different from those specified in the Plan; (v) modify exercise procedures and other terms and procedures with respect to such Participants, to the extent such actions may be necessary or advisable; and (vi) take any action, before or after an Award is made, that it deems necessary or advisable to obtain approval or comply with any local government regulatory exemptions, approvals or requirements.

Notwithstanding the above, the Compensation Committee may not take any actions hereunder, and no Awards shall be granted that would violate any applicable law.

(M) *Headings* . The headings in this Plan are inserted for convenience only and shall not affect the interpretation hereof.

(N) *Dividend Equivalents* . At the discretion of the Compensation Committee, Awards granted pursuant to the Plan may provide Recipients with the right to receive Dividend Equivalents, which may be paid currently or credited to an account for the Recipients, and may be settled in cash and/or shares of Common Stock, as determined by the Compensation Committee in its sole discretion, subject in each case to such terms and conditions as the Compensation Committee shall establish. No Dividend Equivalents shall relate to shares underlying an Option or SAR unless such Dividend Equivalent rights are explicitly set forth as a separate arrangement and do not cause any

such Option or SAR to be subject to Section 409A of the Code. Notwithstanding anything contained in this Plan to the contrary, Dividend Equivalents with respect to Restricted Stock Unit Awards, Incentive Awards, Performance Unit Awards and Recognition Awards that vest based on the achievement of Performance Goals shall be accumulated until such Award is earned, and the Dividend Equivalents shall not be paid if the Performance Goals are not satisfied.

(O) *Deferrals* . Except with respect to Options and SARs, the Compensation Committee in its discretion may permit Recipients to elect to defer the issuance or delivery of shares of Common Stock or the settlement of Awards in cash under the Plan pursuant to such rules, procedures or programs as it may establish for purposes of the Plan. The Compensation Committee in its discretion also may provide that deferred issuances and settlements include the payment or crediting of Dividend Equivalents or interest on the deferral amounts. All elections and deferrals permitted under this provision shall comply with Section 409A of the Code, including setting forth the time and manner of the election (including a compliant time and form of payment), the date on which the election is irrevocable, and whether the election can be changed until the date it is irrevocable.

(P) *Successors* . All obligations of the Company under the Plan and with respect to Awards shall be binding on any successor to the Company, whether the existence of such successor is the result of a direct or indirect purchase, merger, consolidation, or other event, or a sale or disposition of all or substantially all of the business and/or assets of the Company and references to the "Company" herein and in any Agreements shall be deemed to refer to such successors.

SECTION 17. EFFECTIVENESS OF THIS PLAN

This Plan shall be effective as of the Effective Date. No Award may be granted under the Plan after the tenth anniversary of the Effective Date, or such earlier date as the Board shall determine. The Plan will remain in effect with respect to outstanding Awards until no Awards remain outstanding.

SECTION 18. GOVERNING LAW

The provisions of this Plan shall be interpreted and construed in accordance with the laws of the Commonwealth of Kentucky.

RESTRICTED STOCK AGREEMENT

Name of Outside Director: **XXXXXXX**

Name of Plan: 2016 Valvoline Inc. Incentive Plan

Number of Shares of Valvoline Inc. Common Stock: **XXXXXXX**

Par Value Per Share: **$0.01**

Date of Award: **_____20___**

Valvoline Inc. ("Valvoline") hereby awards to the above-named Outside Director (hereinafter called the "Outside Director") XXXXXXX shares of Valvoline Common Stock, par value $0.01 per share, subject to certain restrictions (hereinafter called "Restricted Stock"), as an award ("Award") pursuant to the 2016 Valvoline Inc. Incentive Plan (hereinafter called the "Plan") and this Restricted Stock Agreement ("Agreement"), in order to provide the Outside Director with an additional incentive to serve on Valvoline's Board of Directors (the "Board") and to continue to work for the best interests of Valvoline.

Valvoline confirms this Award to the Outside Director, as a matter of separate agreement and not in lieu of fees or any other compensation for services, of the number of shares of Restricted Stock set forth above, subject to and upon all the terms, provisions and conditions contained herein and in the Plan. Capitalized terms used but not defined in this Agreement shall have the meanings given such terms in the Plan.

This Award will be evidenced by entry on the books of Valvoline's transfer agent, Wells Fargo Bank, N.A. Each entry in respect of shares of Restricted Stock shall be designated in the name of the Outside Director and shall bear the following legend:

> "The transferability of this certificate and the shares of stock represented hereby are subject to the terms and conditions (including forfeitures) contained in the Plan and the Agreement entered into between the registered owner and Valvoline Inc."

The Restricted Stock may not be sold, assigned, transferred, pledged, or otherwise encumbered until the Vesting Date. The Vesting Date shall mean the earlier of (i) the Outside Director's Retirement, (ii) the Outside Director's death or Disability, (iii) the Outside Director's voluntary early retirement to take a position in Governmental Service and (iv) any removal or involuntary separation of the Outside Director from the Board following a Change in Control. Except as otherwise provided below or unless otherwise determined and directed by the Compensation Committee, in the case of voluntary resignation or other termination of service of the Outside Director prior to the Vesting Date, the grant of Restricted Stock made to the Outside Director will be forfeited. Except for such restrictions described above, the Outside Director will have all rights of a shareholder with respect to the shares of Restricted Stock including but not limited to, the right to vote and to receive dividends as and when paid.

Notwithstanding the foregoing, the Compensation Committee may, in its sole discretion, provide for accelerated vesting of the Award at any time and for any reason.

Nothing contained in this Agreement or in the Plan shall confer upon the Outside Director any right to remain in the service of Valvoline.

Information about the Outside Director and the Outside Director's participation in the Plan may be collected, recorded and held, used and disclosed by and among Valvoline, its subsidiaries and any third party Plan administrators as necessary for the purpose of managing and administering the Plan. The Outside Director understands that such processing of this information may need to be carried out by Valvoline, its subsidiaries and by third party administrators whether such persons are located within the Outside Director's country or elsewhere, including the United States of America. By accepting this Award, the Outside Director consents to the processing of information relating to the Outside Director and the Outside Director's participation in the Plan in any one or more of the ways referred to above.

The Outside Director consents and agrees to electronic delivery of any documents that Valvoline may elect to deliver (including, but not limited to, prospectuses, prospectus supplements, grant or award notifications and agreements, account statements, annual and quarterly reports, and all other forms of communications) in connection with this and any other award made or offered under the Plan. The Outside Director understands that, unless earlier revoked by the Outside Director by giving written notice to Valvoline at [•] Attention: [•], this consent shall be effective for the duration of the Award. The Outside Director also understands that the Outside Director shall have the right at any time to request that Valvoline deliver written copies of any and all materials referred to above at no charge.

This Award is granted under, and is subject to, all the terms and conditions of the Plan, including, but not limited to, the forfeiture provision of Section 16(H) of the Plan.

Copies of the Plan and related Prospectus are available for the Outside Director's review on Fidelity's website.

This grant of Restricted Stock is subject to the Outside Director's on-line acceptance of the terms and conditions of this Agreement through the Fidelity website. By accepting the terms and conditions of this Agreement, the Outside Director acknowledges receipt of a copy of the Plan, Prospectus, and Valvoline's most recent Annual Report and Proxy Statement (the "Prospectus Information"). The Outside Director represents that he or she is familiar with the terms and provisions of the Prospectus Information and hereby accepts this Award on the terms and conditions set forth herein and in the Plan, and acknowledges that he or she had the opportunity to obtain independent legal advice at his or her expense prior to accepting this Award.

IN WITNESS WHEREOF, VALVOLINE has caused this instrument to be executed and delivered effective as of the day and year first above written.

VALVOLINE INC.

By: _____

Name: _____

Title: _____

EXHIBIT 10.4

VALVOLINE INC.
NONQUALIFIED DEFINED CONTRIBUTION PLAN

(Effective October 1, 2016)

VALVOLINE INC.
NONQUALIFIED DEFINED CONTRIBUTION PLAN

ARTICLE 1
PURPOSE AND EFFECTIVE DATE

1.1 Purpose . Valvoline Inc. hereby establishes the Plan to provide benefits for certain employees that supplements the limitation on compensation imposed by Section 401(a)(17) of the Code (including successor provisions thereto) on the Savings Plan. It is intended that the Plan be maintained primarily for a select group of management or highly compensated employees and be exempt from the Employee Retirement Income Security Act of 1974, as amended.

1.2 Effective Date . The Plan is effective October 1, 2016.

ARTICLE 2
DEFINITIONS

Pronouns used in the Plan are in the masculine gender but include the feminine gender unless the context clearly indicates otherwise. Wherever used herein, the following terms have the meanings set forth below, unless a different meaning is clearly required by the context:

2.1 " **Account** " means an account established for the purpose of recording amounts credited on behalf of a Participant and any income, expenses, gains, losses or distributions included thereon. The Account shall be a bookkeeping entry only and shall be utilized solely as a device for the measurement and determination of the amounts to be paid to a Participant pursuant to the Plan. Separate Accounts shall be established for a Participant by Plan Year and by type of contribution to the Participant.

2.2 " **Base Compensation** " means, with respect to each Plan Year, compensation paid to a Participant that is included in the definition of Compensation for deferral purposes in the Savings Plan without giving effect to any reduction required by Code Section 401(a)(17) and which is not Incentive Compensation.

2.3 " **Base Compensation Deferrals** " means, with respect to each Plan Year, Base Compensation that is deferred into the Deferred Compensation Plan.

2.4 " **Base Contribution** " means, with respect to each Plan Year, the Base Contribution as provided in Section 4.1.

2.5 " **Beneficiary** " means the Participant's estate.

2.6 " **Board** " means the Board of Directors of the Company.

2.7 " **Cause** ", for Participants with a Change in Control agreement with the Employer, as defined by the Participant's Change in Control agreement; and for Participants without a Change in Control agreement, the willful and continuous failure of a Participant to substantially perform his or her duties to the Employer (other than any such failure resulting from incapacity due to physical or mental illness), or the willful engaging by a Participant in gross misconduct materially and demonstrably injurious to the Employer or the Company, each to be determined by the Company in its sole discretion.

2.8 " **Change in Control** " shall be deemed to have occurred if:

(1) there shall be consummated (A) any consolidation or merger of the Company (a " **Business Combination** "), other than a consolidation or merger of the Company into or with a direct or indirect wholly-owned subsidiary, as a result of which the shareholders of the Company own (directly or indirectly), immediately after the Business Combination, less than fifty percent (50%) of the then outstanding shares of common stock that are entitled to vote generally for the election of directors of the corporation resulting from such Business Combination, or pursuant to which shares of the Company's Common Stock would be converted into cash, securities or other property, other than a Business Combination in which the holders of the Company's Common Stock immediately prior to the Business Combination have substantially the same proportionate ownership of common stock of the surviving corporation immediately after the Business Combination, or (B) any sale, lease, exchange or transfer (in one transaction or a series of related transactions) of all or substantially all the assets of the Company, provided, however, that no sale, lease, exchange or other transfer of all or substantially all the assets of the Company shall be deemed to occur unless assets constituting at least eighty percent (80%) of the total assets of the Company are transferred pursuant to such sale, lease, exchange or other transfer;

(2) the shareholders of the Company shall approve any plan or proposal for the liquidation or dissolution of the Company;

(3) any Person shall become the Beneficial Owner of securities of the Company representing twenty percent (20%) or more of the combined voting power of the Company's then outstanding securities ordinarily (and apart from rights accruing in special circumstances) having the right to vote in the election of directors, as a result of a tender or exchange offer, open market purchases, privately-negotiated purchases or otherwise, without the approval of the Board; or

(4) at any time during a period of two (2) consecutive years, individuals who at the beginning of such period constituted the Board shall cease for any reason to constitute at least a majority thereof, unless the election or the nomination for election by the Company's shareholders of each new director during such two- (2-) year period was approved by a vote of at least two-thirds (2/3) of the directors then still in office who were directors at the beginning of such two- (2-) year period.

Notwithstanding the foregoing, a "Change in Control" shall not be deemed to have occurred by virtue of (1) the consummation of any transaction or series of integrated transactions immediately following which the record holders of the Common Stock of the Company immediately prior to such transaction or series of transactions continue to have substantially the same proportionate ownership in an entity which owns all or substantially all of the assets of the Company immediately following such transaction or series of transactions, (2) the repurchase by the Company of outstanding shares of Common Stock or other securities pursuant to a tender or exchange offer or (3) the Valvoline Spin-Off.

2.9 " **Code** " means the Internal Revenue Code of 1986, as amended.

2.10 " **Committee** " means the Compensation Committee of the Board and its designees.

2.11 **"Company"** means Valvoline Inc., a Kentucky corporation, and any successor thereto.

2.12 " **Deferred Compensation Plan** " means the Valvoline Deferred Compensation Plan for Employees, as may be amended, and amended and restated, from time to time.

2.13 " **Disabled** " or " **Disability** " means a determination that the Participant is, by reason of any medically determinable physical or mental impairment which can be expected to result in death or can be expected to last for a continuous period of not less than twelve (12) months, receiving income replacement benefits for a period of not less than three months under an accident and health plan covering employees of the Employer. A Participant also will be considered disabled if he is determined (a) to be totally disabled by the Social Security Administration, or (b) to be disabled in accordance with a disability insurance program, provided that the definition of disability applied under such disability insurance program complies with the requirements of Treasury Regulation Section 1.409A-3(i)(4). The Committee or its delegate shall determine whether a Participant has incurred a Disability.

2.14 " **Discretionary Contribution** " means, with respect to each Plan Year, the portion of the Employer Contribution as provided in Section 4.2(b).

2.15 " **Effective Date** " means October 1, 2016.

2.16 " **Eligible Employee** " means an employee of the Employer who is determined to be a member of a select group of management or highly compensated employees within the meaning of Sections 201(2), 301(a)(3) and 401(a)(1) of ERISA, and who are classified in base salary and grades 21 and above and are not eligible for the SERP.

2.17 " **Employer** " means the Company, Valvoline and the present and future Related Entities that employ a Participant.

2.18 " **Employer Contribution** " means the Employer contributions provided in ARTICLE 4.

2.19 " **ERISA** " means the Employee Retirement Income Security Act of 1974, as amended.

2.20 " **Excess Base Compensation** " means, with respect to each Plan Year, Base Compensation paid to a Participant that is included in the definition of Compensation in the Savings Plan but that is in excess of the limitation in Code Section 401(a)(17) and which is not Incentive Compensation.

2.21 " **Excess Base Compensation Deferrals** " means, with respect to each Plan Year, Excess Base Compensation that is deferred to the Deferred Compensation Plan other than Incentive Compensation Deferrals.

2.22 " **Identification Date** " means the date at which Key Employees are determined which shall be December 31st.

2.23 " **Incentive Compensation** " means, with respect to a Plan Year, bonuses paid to a Participant under any applicable incentive compensation plans that are excluded from the definition of "Compensation" in the Savings Plan and which is not Base Compensation.

2.24 " **Incentive Compensation Deferrals** " means Incentive Compensation that is deferred into the Deferred Compensation Plan.

2.25 " **Key Employee** " means a "specified employee" within the meaning of Code Section 409A(a)(2)(B)(i) who satisfies the conditions set forth in Section 8.3.

2.26 " **Matching Contribution** " means, with respect to each Plan Year, the portion of the Employer Contribution provided in Section 4.2(a).

2.27 " **Participant** " means an Eligible Employee who commences participation in the Plan in accordance with ARTICLE 3.

2.28 " **Period of Service** " means, except as otherwise provided in Section 4.2(b)(iv), a period of employment with the Employer commencing on the date an Employee works at least one hour for which the Employee is paid and ending on the date such Employee has a Separation from Service.

2.29 " **Plan** " means this Valvoline Inc. Nonqualified Defined Contribution Plan, effective October 1, 2016, and as amended from time to time.

2.30 " **Plan Year** " means each twelve (12) month period beginning January 1 st and ending on December 31 st , except for the first Plan Year that shall begin on the Effective Date and ends on December 31, 2016.

2.31 " **Related Entities** " means (a) any corporation that is a member of a controlled group of corporations as defined in Code Section 414(b) that includes the Company, and (b) any trade or business that is under "common control" as defined in Code Section 414(c) that includes the Company.

2.32 " **Savings Plan** " means the tax-qualified Valvoline LLC Employee Savings Plan, as amended from time to time.

2.33 " **Separation from Service** " and " **Separated from Service** " means a Participant's termination of employment with the Employer for any reason, including death, that meets the requirements of the definition of "separation from service" set forth in Treasury Regulation Section 1.409A-1(h). For purposes of determining whether

a Separation from Service has occurred, the twenty percent (20%) default threshold set forth in Treasury Regulation Section 1.409A-1(h)(1)(ii) shall be utilized.

2.34 " **Valuation Date** " means the last day of each calendar month during a Plan Year, or such other date or dates as determined by the Committee.

2.35 " **Valvoline** " means Valvoline LLC, a wholly-owned subsidiary of the Company.

2.36 " **Valvoline Spin Off** " means the transaction or series of transactions initially approved by the board of directors of Ashland Inc. on September 16, 2015, intended to separate the Valvoline business from Ashland Inc.'s specialty chemical business and create two independent, publicly-traded companies.

ARTICLE 3
PARTICIPATION

3.1 Participation . Each Eligible Employee of the Employer shall be eligible for the Plan immediately.

3.2 Termination of Participation . The Employer may terminate a Participant's participation in the Plan, provided, however, any such termination at the direction of the Employer shall not take effect until the first day of the next Plan Year.

ARTICLE 4
EMPLOYER CONTRIBUTIONS

4.1 Base Contribution. If a Participant has not Separated from Service in a Plan Year, a Participant's Account will be credited with a Base Contribution in an amount equal to four percent (4%) of the Participant's Incentive Compensation, Excess Base Compensation and Excess Base Compensation Deferrals for the Plan Year.

4.2 Other Employer Contributions .

(a) Matching Contribution . If a Participant has not Separated from Service in a Plan Year, a Participant's Account will be credited with a Matching Contribution in an amount equal to four percent (4%) of the Participant's Incentive Compensation, Excess Base Compensation and Excess Base Compensation Deferrals for the Plan Year.

(b) Discretionary Contribution . A Discretionary Contribution may be credited to one or more Participants' Accounts in an amount determined solely by the Employer for any Plan Year.

4.3 Crediting Employer Contributions . Each Participant shall be credited with the applicable Employer Contributions in accordance with this ARTICLE 4, as soon as administratively feasible following each Plan Year.

ARTICLE 5
PAYMENT SCHEDULE AND FORM OF PAYMENT

5.1 Payment Schedule and Form of Payment . Amounts credited to a Participant's Account shall be paid to the Participant in a lump sum on or within sixty (60) days following the Participant's Separation from Service other than for Cause (provided that if such sixty (60) day period begins in one calendar year and ends in the next calendar year, the Participant shall not designate the year of payment). Notwithstanding anything in the Plan to the contrary, a Participant who is a Key Employee shall not have the lump sum payment of such amounts credited to his Account until the first business day of the seventh month following his Separation from Service other than for Cause.

5.2 Death Before Payment . If a Participant dies prior to a Separation from Service for any other reason, the amount credited to the deceased Participant's Account as of his date of death shall be paid in a lump sum to the Participant's Beneficiary within sixty (60) days following the Participant's date of death (provided that if such sixty (60) day period begins in one calendar year and ends in the next calendar year, the Beneficiary shall not designate the calendar year of payment).

ARTICLE 6
ACCOUNTS AND CREDITS AND FUNDING

6.1 Contribution Credits to Account . A Participant's Account will be credited with the Employer Contributions credited on his behalf under ARTICLE 4.

6.2 Credits and Debits to Account . The Participant's Account shall be credited (or debited) on each Valuation Date with hypothetical income (or loss) based upon a hypothetical investment in any one or more of the hypothetical investment options available under the Plan, as prescribed by the Committee or its delegate. The crediting or debiting on each Valuation Date of hypothetical income (or loss) shall be made for each respective Account. All hypothetical investments of a Participant's Account shall be valued at fair market value. Additionally, all payments, distributions, investments and investment exchanges allowed and made under the Plan shall be as of the relevant Valuation Date at fair market value.

6.3 Adjustment of Accounts . Each Account maintained for a Participant shall be adjusted for hypothetical credits and any expenses allocable under the terms of the Plan to the Account. The Account shall be adjusted as of each Valuation Date to reflect: (a) the hypothetical credits and expenses described in this ARTICLE 6; (b) amounts credited pursuant to ARTICLE 4; and (c) payments, distributions or withdrawals.

6.4 Establishment of Trust for Funding . The Employer may, but is not required to, establish a trust to hold amounts which the Employer may contribute from time to time to correspond to some or all amounts credited to Participants under this ARTICLE 6. If the Employer establishes a trust, the provisions of Sections 6.4(a) and (b) shall become operative.

(a) **Grantor Trust** . Any trust established by the Employer shall be between the Employer and a trustee pursuant to a separate written agreement under which assets are held, administered and managed, subject to the claims of the Employer's creditors in the event of the Employer's insolvency, until paid to the Participant and/or his Beneficiaries. The trust is intended to be treated as a grantor trust under the Code, and it is intended that the establishment of the trust shall not cause the Participant to realize current income on amounts contributed thereto. The Employer must notify the trustee in the event of a lawsuit regarding the Plan or regarding its bankruptcy or insolvency.

(b) **Investment of Trust Funds** . Any amounts contributed to the trust by the Employer shall be invested by the trustee in accordance with the provisions of the trust and the instructions of the Committee or its delegate.

ARTICLE 7
RIGHT TO BENEFITS

7.1 Vesting. Unless a Participant is terminated for Cause, a Participant shall be one hundred percent (100%) vested in his Accounts upon the earlier of a Change in Control or the Participant's Separation from Service. Notwithstanding the preceding sentence, if a Participant is terminated for Cause, the Participant shall forfeit all rights to the Participant's Account.

7.2 Amount of Benefits . The vested amounts credited to a Participant's Account as determined under ARTICLE 4 shall determine and constitute the basis for the amount payable to the Participant (or, in the event of the Participant's death, to the Participant's Beneficiary) under the Plan.

ARTICLE 8
PAYMENTS OF AMOUNTS CREDITED TO ACCOUNTS

8.1 Method and Timing of Payments . Except as otherwise provided under the Plan, including this ARTICLE 8, payments under the Plan shall be made in accordance with ARTICLE 5 of the Plan.

8.2 Prohibition on Acceleration . Except as otherwise provided in the Plan and except as may be allowed in guidance from the Secretary of the Treasury, distributions/payments from a Participant's Account(s) may not be made earlier than the time such amounts would otherwise be distributed pursuant to the terms of the Plan.

8.3 Key Employees . Unless an exception to Code Section 409A applies to a payment to a Participant, in no event shall a distribution made to a Key Employee from his Accounts due to his Separation from Service occur before the date which is six (6) months after his Separation from Service, or, if earlier, his date of death. For purposes of this Section 8.3, a Key Employee means an employee of an employer, including any corporation that is a member of a controlled group of corporations as defined in Code Section 414(b) that includes the employer and any trade or business that is under common control as defined in Code Section 414(c) with the employer, any of whose stock is publicly traded on an "established securities market," within the meaning of Section 1.409A-1(k), or otherwise who satisfies the requirements of Code Sections 416(i)(1)(A)(i), (ii) or (iii), determined without regard to Code Section 416(i)(5), at any time during the twelve- (12-) month period ending on the Identification Date. An employee who is determined to be a Key Employee on an Identification Date shall be treated as a Key Employee for purposes of the six- (6-) month delay in distributions set forth in this Section 8.3 for the twelve- (12-) month period beginning on the first day of the fourth month following the Identification Date. Whether any stock of the Employer is traded on an established securities market or otherwise is determined on the date a Participant experiences a Separation from Service. This Section 8.3 shall not apply to an accelerated distribution made in accordance with Section 11.9.

8.4 Permissible Delays in Payment . Distributions may be delayed beyond the date payment would otherwise occur in accordance with the provisions of ARTICLE 5 in any of the following circumstances:

(a) Payments Subject to Code Section 162(m) . The Employer may delay payment if it reasonably anticipates that its deduction with respect to such payment would not be permitted due to the application of Code Section 162(m); provided, however, that (i) the deduction limitation of Code Section 162(m) shall be applied to all payments to similarly situated Participants on a reasonably consistent basis; (ii) the payment must be made either during the Participant's first taxable year in which the Employer reasonably anticipates, or should reasonably anticipate, that if the payment is made during such year, the deduction of such payment will not be barred by application of Code Section 162(m) or during the period beginning with the date of the Participant's Separation from Service (or, if the Participant is a Key Employee, beginning with the date that is six (6) months after Separation from Service) and ending on the later of the last day of the Employer's taxable year in which the Participant incurs a Separation from Service for the 15th day of the third month following the Participant's Separation from Service (or, if the Participant is a Key Employee, the 15th day of the third month following the date that is six (6) months after Separation from Service); (iii) where any payment to a particular Participant is delayed because of Code Section 162(m), the delay in payment will be treated as a subsequent deferral election under Code Section 409A, unless all scheduled payments to such Participant that could be delayed are also delayed; and (iv) no election may be provided to a Participant with respect to the timing of payment hereunder.

(b) Payments that would violate Federal Securities Laws or Other Applicable Law . The Employer may also delay payment if it reasonably anticipates that the marking of the payment will violate Federal securities laws or other applicable laws provided payment is made at the earliest date on which the Employer reasonably anticipates that the making of the payment will not cause such violation.

(c) Other Events and Conditions . The Employer also reserves the right to delay payment upon such other events and conditions as the Secretary of the Treasury may prescribe in generally applicable guidance published in the Internal Revenue Bulletin.

Except as may be otherwise required under Code Section 409A, a payment is treated as made upon the date contemplated under the provisions of the Plan if the payment is made at such date or a later date within the same calendar year or, if later, by the 15th day of the third calendar month following the date contemplated by the Plan. If calculation of the amount of the payment is not administratively practicable due to events beyond the control of the Participant (or Participant's Beneficiary), the payment will be treated as made upon the date contemplated by the Plan if the payment is made during the first calendar year in which the payment is administratively practicable. Similarly, if the funds of the Employer are not sufficient to make the payment at the date specified under the Plan without jeopardizing the solvency of the Employer, the payment will be treated as made upon the date contemplated by the Plan if the payment is made during the first calendar year in which the funds of the Employer are sufficient to make the payment without jeopardizing the solvency of the Employer.

If a payment is not made, in whole or in part, as of the date contemplated by the Plan because the Employer refuses to make such payment, the payment will be treated as made upon the date contemplated by the Plan if the Participant accepts the portion (if any) of the payment that the Employer is willing to make (unless such acceptance will result in forfeiture of the claim to all or part of the remaining account), makes prompt and reasonable, good faith efforts to collect the remaining portion of the payment and any further payment (including payment of a lesser amount that satisfies the obligation to make the payment) is made no later than the end of the first calendar year in which the Employer and the Participant enter into a legally binding settlement of such dispute, the Employer concedes that the amount is payable, or the Employer is required to make such payment pursuant to a final and nonappealable judgment or other binding decision. For purposes of this paragraph, efforts to collect the payment will be presumed not to be prompt, reasonable, good faith efforts, unless the Participant provides notice to the Employer within ninety (90) days of the latest date upon which the payment could have been timely made in accordance with the terms of the Plan and the Treasury Regulations promulgated under Code Section 409A, and unless, if not paid, the Participant takes further enforcement measures within one hundred eighty (180) days after such latest date. For purposes of this paragraph, the Employer is not treated as having refused to make a payment where pursuant to the terms of the Plan the Participant is required to request payment, or otherwise provide information to take any other action, and the Participant has failed to take such action. In addition, for purposes of this paragraph, the Participant is deemed to have requested that a payment not be made, rather than the Employer having refused to make such payment, where the Employer's decision to refuse to make the payment is made by the Participant or a member of the Participant's family (as defined in Code Section 267(c)(4) applied as if the family of an individual includes the spouse of any member of the family), or any person or group of persons over whom the Participant's family member has effective control, or any person any portion of whose compensation is controlled by the Participant or the Participant's family member.

ARTICLE 9
AMENDMENT AND TERMINATION

9.1 Plan Amendment . The Company reserves the sole right to amend the Plan pursuant to a resolution of the Board approving such amendment. An amendment must be in writing and executed by a representative of the Company authorized to take such action. The Company hereby reserves the right to amend the Plan without the consent of the Participants in the future, as required to comply with any present or future law, regulation or rule applicable to the Plan, including, but not limited to Code Section 409A and all applicable guidance promulgated thereunder, and to prevent any Participant from becoming subject to any additional tax or penalty under Code Section 409A. No amendment can directly or indirectly deprive any current or former Participant or Beneficiary of all or any portion of his vested Account which had accrued prior to the amendment, except to the extent required by the Code or other applicable law.

9.2 Retroactive Amendments . An amendment to the Plan made by the Company in accordance with Section 9.1 may be made effective on a date prior to the first day of the Plan Year in which it is adopted. Any retroactive amendment by the Company shall be subject to the provisions of Section 9.1.

9.3 Plan Termination . The Plan will terminate automatically as of the date that no amounts remain to be paid/distributed under the Plan.

The Company reserves the right to terminate the Plan and accelerate the time of payment of all amounts to be distributed under the Plan in accordance with the following provisions of this Section 9.3. The Company may make an irrevocable election to terminate the Plan and distribute all amounts credited to all Participant Accounts within the thirty (30) days preceding or the twelve (12) months following a Change in Control. For this purpose, the Plan will be treated as terminated only if all other arrangements sponsored by the Employer immediately after the time of the Change in Control with respect to which deferrals of compensation are treated as having been deferred under a single plan under Treasury Regulation Section 1.409A-1(c)(2) are terminated and liquidated with respect to each Participant that experienced the Change in Control, so that under the terms of the termination and liquidation all such Participants are required to receive all amounts of compensation deferred under the terminated arrangements within twelve (12) months of the date the Company irrevocably takes all necessary action to terminate and liquidate the Plan and such other arrangements. In addition, the Company reserves the right to terminate the Plan within twelve (12) months of a corporate dissolution taxed under Code Section 331, or with the approval of a bankruptcy court pursuant to Section 503(b)(1)(A) of Title 11 of the United States Code, provided that amounts deferred under the Plan are included in the gross incomes of Participants in the earlier of (a) the taxable year in which the amount is actually or constructively received, or (b) the latest of the following years: (1) the calendar year in which the termination occurs, (2) the first calendar year in which the amount is no longer subject to a substantial risk of forfeiture, or (3) the first calendar year in which payment is administratively practicable. The Company retains the discretion to terminate the Plan if (1) the termination does not occur proximate to a downturn in the financial health of the Company; (2) all arrangements sponsored by the Employer that would be aggregated with any terminated arrangement under Treasury Regulation Section 1.409A-1(c) if the same service provider participated in all of the arrangements are terminated, (3) no payments other than payments that would be payable under the terms of the arrangements if the termination had not occurred are made within twelve (12) months of the termination of the arrangements, (4) all payments are made within twenty-four (24) months of the termination of the arrangements, and (5) the Employer does not adopt new arrangements that would be aggregated with any terminated arrangement under Treasury Regulation Section 1.409A-1(c), if the same service provider participated in both arrangements, at any time with the three (3) year period following the date of termination of the arrangement. The Company also reserves the right to terminate the Plan and accelerate the time of payment of all amounts to be distributed under the Plan under such conditions and events as may be prescribed by the Internal Revenue Service in generally applicable guidance published in the Internal Revenue Bulletin.

9.4 Distribution Upon Termination of the Plan . Except as provided in Section 9.3, the Plan may not be terminated before the date on which all amounts credited to all Participant Accounts have been paid in accordance with the terms of the Plan.

ARTICLE 10
PLAN ADMINISTRATION

10.1 Powers and Responsibilities of the Company . The Company shall be responsible for the general operation and administration of the Plan and for carrying out the provisions thereof. The Company's powers and responsibilities include, but are not limited to, the following, which powers and responsibilities shall be exercised in its sole discretion:

(a) To make and enforce such rules and regulations as it deems, in its sole discretion, necessary or proper for the efficient administration of the Plan;

(b) To decide all questions concerning the Plan and the eligibility of any person to participate in the Plan, in its sole discretion, subject to review by the Committee or its delegate.

(c) To administer the claims and review procedures specified in Section 10.3;

(d) To compute the amount of benefits which will be payable to any Participant, former Participant or Beneficiary in accordance with the provisions of the Plan in its discretion;

(e) To determine the person or persons to whom such benefits will be paid in its discretion;

(f) To authorize the payment of benefits;

(g) To comply with any applicable reporting and disclosure requirements of Part 1 of Subtitle B of Title 1 of ERISA;

(h) To appoint such agents, counsel, accountants, and consultants as may be required to assist in administering the Plan;

(i) To allocate and delegate its responsibilities in its discretion, including the formation of any administrative sub-committee to administer the Plan.

10.2 Powers and Responsibilities of the Committee . The Committee or its delegate shall be responsible (a) for determining the hypothetical investments relating to Participants' Accounts pursuant to ARTICLE 6, and (b) for the review of denied claims pursuant to Section 10.3(b) in its sole discretion. In the course of reviewing a denied claim, the Committee or its delegate shall have the power to interpret the Plan, in its sole discretion, and its interpretation thereof shall be final, conclusive and binding on all persons claiming benefits under the Plan.

10.3 Claims and Review Procedures .

(a) **Claims Procedure** . If any person believes he is being denied any rights or benefits under the Plan, such person may file a claim in writing with the Company. If any such claim is wholly or partially denied, the Company or its delegate will notify such person of its decision in writing. Such notification will contain (i) specific reasons for the denial, (ii) specific reference to pertinent Plan provisions, (iii) a description of any additional material or information necessary for such person to perfect such claim and an explanation of why such material or information is necessary, and (iv) information as to the steps to be taken if the person wishes to submit a request for review. Such notification will be given within ninety (90) days after the claim is received by the Company (or within one hundred eighty (180) days, if special circumstances require an extension of time for processing the claim, and if written notice of such extension and circumstances is given to such person within the initial ninety (90) day period). If such notification is not given within such period, the claim will be considered denied as of the last day of such period and such person may request a review of his claim.

(b) **Review Procedure** . Within sixty (60) days after the date on which a person receives a written notification of denial of claim (or, if written notification is not provided, within sixty (60) days of the date denial is considered to have occurred), such person (or his duly authorized representative) may (i) file a written request with the Company for a review of his denied claim and of pertinent documents and (ii) submit written issues and comments to the Company. The Company or its delegate will notify such person of its decision in writing. Such notification will be written in a manner calculated to be understood by such person and will contain specific reasons for the decision as well as specific references to pertinent Plan provisions. The decision on review will be made within sixty (60) days after the request for review is received by the Company (or within one hundred twenty (120) days, if special circumstances require an extension of time for processing the request, such as an election by the Company or its delegate to hold a hearing, and if written notice of such extension and circumstances is given to such person within the initial sixty- (60-) day period). If the decision on review is not made within such period, the claim will be considered denied.

10.4 **Plan Administrative Costs** . All reasonable costs and expenses (including legal, accounting, and employee communication fees) incurred by the Company in administering the Plan shall be paid by the Company.

ARTICLE 11
MISCELLANEOUS

11.1 Unsecured General Creditor of the Employer . The Plan at all times shall be entirely unfunded. Participants and their Beneficiaries, heirs, successors and assigns shall have no legal or equitable rights, interests or claims in any property or assets of the Employer. For purposes of the payment of benefits under the plan, the assets of the Employer shall be, and shall remain, the general, unpledged, unrestricted assets of the Employer. The Employer's obligation under the Plan shall be merely that of an unfunded and unsecured promise to pay money in the future.

11.2 Employer's Liability . The Employer's liability for the payment of benefits under the Plan shall be defined only by the Plan. The Employer shall have no obligation or liability to a Participant under the Plan except as provided by the Plan.

11.3 Limitation of Rights . Neither the establishment of the Plan, nor any amendment thereof, nor the creation of any fund or account, nor the payment of any benefits, will be construed as giving to the Participant or any other person any legal or equitable right against the Company, the Employer or the Committee except as provided herein; and in no event will the terms of employment or service of the Participant be modified or in any way affected hereby.

11.4 Anti-Assignment . Except as otherwise provided in connection with a division of property under a domestic relations proceeding under state law and subject to the terms of the Plan, no right or interest of the Participants shall be subject to involuntary alienation, assignment or transfer of any kind. An eligible employee may voluntarily assign his rights under the Plan. The Employer, the Board, the Committee and any of their delegates shall not review, confirm, guarantee or otherwise comment on the legal validity of any voluntary assignment. Employer and its delegates may review, provide recommendations and approve submitted domestic relations orders using procedures similar to those that apply to qualified domestic relations orders under the qualified pension plans sponsored by the Employer. A domestic relations order intended to assign a benefit hereunder to a former spouse of an eligible employee must be delivered to the Employer. The Employer will review the order to determine if it is qualified. Upon notification by the Employer that the order is qualified, the spouse will be able to elect a distribution of the assigned benefit by the end of the fifth calendar year following the calendar year during which the Employer notifies the former spouse that the order is qualified. In all events, the entire assigned benefit must be distributed by the end of the fifth calendar year following the calendar year during which the Employer notifies the former spouse that the order is qualified. The Employer may prescribe procedures that are consistent with this Section 11.4 and applicable law to implement benefit assignments pursuant to qualified orders.

11.5 Facility of Payment . If the Employer determines, on the basis of medical reports or other evidence satisfactory to the Employer, that the recipient of any benefit payments under the Plan is incapable of handling his affairs by reason of minority, illness, infirmity or other incapacity, such payments may be disbursed to a person or institution designated by a court which has jurisdiction over such recipient or a person or institution otherwise having the legal authority under State law for the care and control of such recipient. The receipt by such person or institution of any such payments, and any such payment to the extent thereof, shall discharge the liability of the Employer for the payment of benefits hereunder to such recipient.

11.6 Notices . Any notice or other communication required or permitted to be given in connection with the Plan shall be in writing and shall be deemed to have been duly given (i) upon request, if delivered personally or via courier, (ii) upon confirmation of receipt, if given by facsimile or electronic transmission, and (iii) on the third business day following mailing, if mailed first-class, postage prepaid, registered or certified mail as follows:

(a) If it is sent to the Employer, it will be at the address specified by the Employer; or

(b) If it is sent to a Participant or Beneficiary, it will be at the last address filed with the Employer by the Participant (or Beneficiary).

11.7 Tax Withholding . The Employer shall have the right to deduct from all payments or deferrals made under the Plan any tax required by law to be withheld. If the Employer concludes that tax is owing with respect to any deferral or payment hereunder, the Employer shall withhold such amounts from any payments due the Participant or his Beneficiary, as permitted by law, or otherwise make appropriate arrangements with the Participant or his Beneficiary for satisfaction of such obligation. Tax, for purposes of this Section 11.7, means any federal, state, local, foreign or any other governmental income tax, employment or payroll tax, excise tax, or any other tax or assessment owing with respect to amounts deferred, any earnings thereon, and any payments made to Participants or Beneficiaries under the Plan.

11.8 Indemnification . To the fullest extent allowed by law, the Company shall indemnify and hold harmless each member of the Committee and each employee, officer, or director of the Employer to whom is delegated duties, responsibilities, and authority with respect to the Plan against all claims, liabilities, fines and penalties, and all expenses reasonably incurred by or imposed upon him (including but not limited to reasonable attorneys' fees) which arise as a result of his actions or failure to act in connection with the operation and administration of the Plan to the extent lawfully allowable and to the extent that such claim, liability, fine, penalty, or expense is not paid for by liability insurance purchased or paid for by the Employer. Notwithstanding the foregoing, the Company shall not indemnify any person for any such amount incurred through any settlement or compromise of any action unless the Company consents in writing to such settlement or compromise.

11.9 Permitted Acceleration of Payment . The Company or its delegate, in its sole discretion, may accelerate the time in which payment shall be made under the Plan to: (a) an individual other than the Participant as may be necessary to fulfill a domestic relations order within the meaning of Code Section 414(p)(1)(B), (b) the extent reasonably necessary to avoid the violation of an applicable federal, state, local, or foreign ethics law or conflicts of interest law (including where such payment is reasonably necessary to permit the Participant to participate in activities in the normal course of his position in which the Participant would otherwise not be able to participate under an applicable rule), determined in accordance with Treasury Regulation Section 1.409A-3(j)(4)(iii)(B), (c) pay the FICA tax imposed under Code Sections 3101, 3121(a) and 3121(v)(2) on compensation deferred under the Plan, (d) pay the income tax at source on wages imposes under Code Section 3401 or the corresponding withholding provisions of the applicable, state, local or foreign tax laws as a result of the payment of any FICA tax described in clause (c), and to pay the additional income tax at source on wages attributable to the pyramiding Code Section 3401 wages and taxes, (e) pay state, local, or foreign tax obligations arising from participation in the Plan that apply to an amount deferred under the Plan before the amount is paid or made available to the Participant, (f) pay the income tax at source on wages imposed under Code Section 3401 as a result of the payment described in clause (e) and to pay the additional income tax at source on wages imposed under Code Section 3401 attributable to such additional Code Section 3401 wages and taxes, (g) satisfy the debt of a Participant to the Employer where such debt is incurred in the ordinary course of the service relationship between the Participant and the Employer, as applicable, the entire amount of the reduction in any Plan year does not exceed $5,000, and the reduction is made at the same time and in the same amount as the debt otherwise would have been due and collected from the Participant, and (h) pay the amount required to be included in gross income as a result of the failure of the Plan to comply with the requirements of Code Section 409A. The total payment under clauses (c) and (d) shall, in no event, exceed the aggregate of the FICA tax and the income tax withholding related to such FICA tax. The total payment under clause (e) shall, in no event, exceed the amount of such taxes due as a result of participation in the Plan. The total payment under clauses (e) and (f) shall, in no event, exceed the aggregate of the state, local, and foreign tax amount, and the income tax withholding related to such state, local, and foreign tax amount. The total payment under clause (h) shall, in no event, exceed the amount required to be included in income as a result of the failure to comply with requirements of Code Section 409A.

11.10 No Guarantee or Employment or Participation . Nothing in the Plan shall interfere with or limit in any way the right of the Employer to terminate any Participant's employment at any time and for any reason, nor confer upon any Participant any right to continue in the employ of the Employer. No employee of the Employer shall have a right to be selected as a Participant under the Plan or, if selected, to continue to participate for any Plan Year.

11.11 Unclaimed Benefit . Each Participant shall keep the Employer informed of his current address. The Employer shall not be obligated to search for the whereabouts of any person. If the location of a Participant is not made known to the Employer within three (3) years after the date on which payment of the Participant's vested Account is scheduled to be made, payment may be made as though the Participant had died at the end of the three- (3-) year period. If within one additional year after such three- (3-) year period has elapsed, or, within three (3) years after the actual death of a Participant, the Employer is unable to locate the Beneficiary of the Participant, then the Employer shall have no further obligation to pay any benefit hereunder to such Participant or Beneficiary or any other person and such benefit shall be irrevocably forfeited.

11.12 Governing Law . The Plan will be construed, administered and enforced according to the laws of the Commonwealth of Kentucky without regard to principles of conflicts of law to the extent not otherwise preempted by ERISA.

11.13 Erroneous Payment . Any amount paid under this Plan in error to a Participant or to a Participant's Beneficiary shall be returned to the Employer. A payment made in error does not create on the part of the recipient a legally binding right to such payment.

11.14 Effective Date . The Plan was approved by the Personnel and Compensation Committee of the Board of Directors of Ashland Inc. and established by the Company to be effective as of October 1, 2016.

[signature page immediately follows]

IN WITNESS WHEREOF , Valvoline Inc. has caused its duly authorized representative to execute the Plan, this 30th day of September, 2016, to be effective as of the date noted above.

On Behalf of Valvoline Inc.

By: /s/ Peter J. Ganz

Peter J. Ganz
Senior Vice President, General Counsel and Secretary
Ashland Global Holdings Inc.

EXHIBIT 10.5

Valvoline LLC
3499 Blazer Parkway
Lexington, KY 40509
Tel:859 357-3147
mmeixelsperger@valvoline.com

Mary Meixelsperger
Chief Financial Officer

September 6, 2016

David J. Scheve
13716 Lake Spring Drive
Louisville, KY 40299

Dear David:

This letter is to confirm the revised employment offer, from the original employment offer dated August 30, 2016, extended to you by Valvoline LLC. ("Valvoline") for the position of Controller for Valvoline, reporting to Mary Meixelsperger , Chief Financial Officer of Valvoline with a targeted start date on or before October 4, 2016. The details of the offer are outlined below. As you are aware, Ashland is in the process of separating its Valvoline commercial unit from its remaining businesses, such that Ashland and Valvoline will ultimately become two separate, independent and unrelated companies. The final separation of Ashland and Valvoline will not occur until Ashland effects a spin-off of all of its shares of Valvoline to Ashland's shareholders. It is currently expected that this will occur sometime in the late spring/early summer of 2017, however this date may be subject to change.

Your starting salary will be $250,000 annually. This position will entitle you to eligibility for incentive compensation (IC). Our IC plan year runs from October 1 through September 30. Your annual incentive opportunity at target performance under the applicable Ashland Inc. plan for FY2017 is 40% of annual base salary, which may be prorated for the 2017 plan year based on your employment start date. In addition, you will be eligible to participate in the long-term incentive program beginning in the fall of 2016, which will provide an additional incentive opportunity equal to 40% of the market reference point for your salary band. You will also be eligible to participate in other executive compensation programs to the same extent as other employees at your level who are part of the Valvoline organization. You will also be eligible to participate in other executive compensation programs to the same extent as other executive level employees at your level who are part of the Valvoline organization. These plans, as well as other executive compensation plans and programs in which you are eligible to participate, may be subject to termination or modification during the course of your employment, and nothing in this letter is intended to create a contract guaranteeing that you will be eligible for the same benefit opportunities in subsequent plan years. However, so long as you remain in your new role with Valvoline, your base salary will not be reduced, and you will be eligible to participate in those executive compensation plans and programs offered to executive employees within the Valvoline organization on the same terms and conditions as they are offered to all other employees supporting the Valvoline organization in your same group and level.

In addition to the above, you will also be eligible to receive a one-time grant of 1,500 Ashland Inc. Restricted Stock Units (RSU) with a vesting schedule of 25% after two years and 75% after three years from date of grant. Please be advised that upon the final separation of Ashland and Valvoline, it is anticipated that this grant will convert to RSU's of Valvoline.

Further, you will be afforded a one-time, signing bonus in the gross amount of $10,000, subject to applicable taxes and deductions. This will be paid to you shortly after commencement of your employment.

For the remainder of calendar year 2016 you will be eligible for 5 days of vacation plus 5 days of administrative leave. Starting in 2017, you will be eligible for 10 days of vacation plus 5 days' administrative leave (until such time you earn 3 weeks of vacation). In addition to the above, you may also be eligible to participate in the full range of salaried employee benefits including health insurance, group life insurance, dental insurance, disability insurance, various other voluntary insurance programs and, upon meeting the eligibility requirements, our savings plan. Your participation in particular employee benefits programs will be subject to the same limitations and conditions as those applicable to other employees eligible to participate.

A post-offer background check will be conducted in accordance with the disclosures made on the employment application, to which you must provide consent, and will include appropriate reference checks, verification of education (if applicable), DMV report (if applicable) and a criminal records check; along with the successful completion of a drug screen. Separately, we will advise you of the date, time and the location of the post-offer drug testing. This offer may be rescinded in the event the results of your drug screen or background check are unsatisfactory.

If you elect to accept this offer of employment, it should be understood that you will not have a contract of employment with either Ashland or Valvoline that guarantees your employment for any duration, and that nothing in this letter, the company's Human Resources policies or procedures, or any statements made to you about this job, will not in any way provide you with any such rights of continuing employment. Both you and Valvoline, will remain free to terminate your employment at any time, with or without notice, and with or without cause. By acceptance of this offer you are also confirming that you have disclosed to Valvoline any noncompetition agreement or other obligation you have with your prior employer or with another third party, and you have not and will not breach any such agreement.

David, I am very pleased to extend this offer of employment to you. I look forward to an excellent opportunity for both you and Valvoline as a result of your acceptance. If you choose to accept this offer, please confirm with your written acceptance below no later than September 6, 2016. If you have any questions, concerns or need additional information, please feel free to call me at (859) 357-3147.

Best regards,

Mary Meixelsperger

ACCEPTED: /s/ David J. Scheve

DATE: 9/6/2016

EXHIBIT 10.6

VALVOLINE INC.
2016 DEFERRED COMPENSATION PLAN FOR NON-EMPLOYEE DIRECTORS

(Effective October 1, 2016)

VALVOLINE INC.
2016 DEFERRED COMPENSATION PLAN FOR NON-EMPLOYEE DIRECTORS

Valvoline Inc. hereby establishes a nonqualified deferred compensation plan for members of the Board of Directors who are not employees of the Company to be known as the Valvoline Inc. 2016 Deferred Compensation Plan for Non-Employee Directors.

The Plan is effective as of October 1, 2016, and is entitled to be, and shall be administered as, an unfunded plan maintained for the purpose of providing deferred compensation for the Directors and, as such, is not an "employee benefit plan" within the meaning of the Employee Retirement Income Security Act of 1974, as amended.

ARTICLE I. GENERAL PROVISIONS

1. PURPOSE

The purpose of this Plan is to provide each Director with an opportunity to defer some or all of the Director's Fees as a means of saving for retirement or other purposes. In addition, the Plan provides Directors with the ability to increase their proprietary interest in the Company's long-term prospects by permitting Directors to receive all or a portion of their Fees in Valvoline Inc. Common Stock. The obligations of the Company hereunder constitute a mere promise to make the payments provided for in this Plan. No Director, his or her spouse or the estate of either of them shall have, by reason of this Plan, any right, title or interest of any kind in or to any property of the Company. To the extent any Participant has a right to receive payments from the Company under this Plan, such right shall be no greater than the right of any unsecured general creditor of the Company.

2. DEFINITIONS

The following definitions shall be applicable throughout the Plan:

(a) " **Accounting Date** " means the Business Day on which a calculation concerning a Participant's Account is performed, or as otherwise defined by the Committee or the Company.

(b) " **Account** " means, collectively, a Deferred Fee Account, Stock Account, Restricted Stock Account, and Transferred Account, as applicable to a Participant. The Account is maintained solely as a bookkeeping entry by the Company to evidence an unfunded, unsecured payment obligation of the Company to a Participant.

(c) " **Ashland Common Stock** " means the common stock, $.01 per value, of Ashland Inc. or of Ashland Global Holdings Inc.

(d) " **Ashland Director** " means a current or former member of the board of directors of Ashland Inc. or Ashland Global Holdings Inc.

(e) " **Ashland Elections** " means Ashland Fees' deferral elections and time and form of payment elections made by Ashland Participants under the Ashland Plan.

(f) " **Ashland Fees** " means an Ashland Director's annual retainer and, as applicable, other annual retainers earned by an Ashland Director for service as an Ashland Director (but excluding Ashland Restricted Stock Units).

(g) " **Ashland Participant** " means a Participant who participates or participated in the Ashland Plan as an Ashland Director.

(h) " **Ashland Plan** " means the Ashland Global Holdings Inc. 2016 Deferred Compensation Plan for Non-Employee Directors and any predecessor plan thereto that is subject to Code section 409A (including the Ashland Inc. Deferred Compensation Plan for Non-Employee Directors (2005), as amended).

(i) " **Ashland Restricted Stock Units** " means the Ashland Participant's annual award of deferred restricted stock units for service as an Ashland Director credited to the Ashland Participant under the Ashland Plan and to the Ashland Participant's Transferred Account.

(j) " **Ashland Stock Units** " means the hypothetical Ashland Common Stock share equivalents credited to an Ashland Participant's Ashland Plan account and Transferred Account.

(k) " **Beneficiary** " means the Participant's estate.

(l) " **Board** " or " **Board of Directors** " means the board of directors of Valvoline Inc.

(m) " **Business Day** " means a day on which the New York Stock Exchange is open for trading activity.

(n) " **Change in Control** " shall be deemed to have occurred if:

1. there shall be consummated (A) any consolidation or merger of the Company (a " **Business Combination** "), other than a consolidation or merger of the Company into or with a direct or indirect wholly-owned subsidiary, as a result of which the shareholders of the Company own (directly or indirectly), immediately after the Business Combination, less than fifty percent (50%) of the then outstanding shares of common stock that are entitled to vote generally for the election of directors of the corporation resulting from such Business Combination, or pursuant to which shares of the Company's Common Stock would be converted into cash, securities or other property, other than a Business Combination in which the holders of the Company's Common Stock immediately prior to the Business Combination have substantially the same proportionate ownership of common stock of the surviving corporation immediately after the Business Combination, or (B) any sale, lease, exchange or transfer (in one transaction or a series of related transactions) of all or substantially all the assets of the Company, provided, however, that no sale, lease, exchange or other transfer of all or substantially all the assets of the Company shall be deemed to occur unless assets constituting at least eighty percent (80%) of the total assets of the Company are transferred pursuant to such sale, lease, exchange or other transfer;

2. the shareholders of the Company shall approve any plan or proposal for the liquidation or dissolution of the Company;

3. any Person shall become the Beneficial Owner of securities of the Company representing twenty percent (20%) or more of the combined voting power of the Company's then outstanding securities ordinarily (and apart from rights accruing in special circumstances) having the right to vote in the election of directors, as a result of a tender or exchange offer, open market purchases, privately-negotiated purchases or otherwise, without the approval of the Board; or

4. at any time during a period of two (2) consecutive years, individuals who at the beginning of such period constituted the Board shall cease for any reason to constitute at least a majority thereof, unless the election or the nomination for election by the Company's shareholders of each new director during such two- (2-) year period was approved by a vote of at least two-thirds (2/3) of the directors then still in office who were directors at the beginning of such two- (2-) year period.

Notwithstanding the foregoing, a "Change in Control" shall not be deemed to have occurred by virtue of (1) the consummation of any transaction or series of integrated transactions immediately following which the record holders of the Common Stock of the Company immediately prior to such transaction or series of transactions continue to have substantially the same proportionate ownership in an entity which owns all or substantially all of the assets of the Company immediately following such transaction or series of transactions, (2) the repurchase by the Company of outstanding shares of Common Stock or other securities pursuant to a tender or exchange offer or (3) the Valvoline Spin-Off.

(o) " **Code** " means the Internal Revenue Code of 1986, as amended from time to time.

(p) " **Committee** " means the Compensation Committee of the Board or its designee.

(q) " **Common Stock** " means the common stock, $.01 par value, of the Company.

(r) " **Common Stock Fund** " means that hypothetical investment option, approved by the Committee, in which a Participant's Account may be deemed to be invested and may earn income based on a hypothetical investment in Common Stock.

(s) " **Company** " means Valvoline Inc., a Kentucky corporation, and any successor thereto.

(t) " **Corporate Human Resources** " means the Corporate Human Resources Department of the Company.

(u) " **Credit Date** " means the date on which any Fees would otherwise have been paid to the Participant if such Fees were not Deferred Fees.

(v) " **Deferred Fee Account** " means the portion of a Participant's Account that is separately accounted for and to which Deferred Fees are credited.

(w) " **Deferred Fees** " mean the Fees elected by the Participant to be deferred pursuant to a Fee Deferral Election, and which are credited to the Participant's Deferred Fee Account and, if applicable to the Participant, the Participant's Stock Account.

(x) " **Deferred Ashland Fees** " mean the Ashland Fees that were elected by an Ashland Participant to be deferred under the Ashland Plan.

(y) " **Director** " means any non-employee director of the Board.

(z) " **Disability** " means that a Participant is unable to engage in any substantial gainful activity because of a medically determinable physical or mental impairment that is expected to result in death or last for a continuous period of twelve (12) or more months. Corporate Human Resources or its delegate shall determine whether a Participant has incurred a Disability.

(aa) " **Election** " means a Participant's delivery of a notice of election to defer payment of all or a portion of his or her Fees under the terms of the Plan. The Committee or the Company may prescribe other means of making and delivering an Election. An Election shall also include instructions specifying the time and form of payment of a Participant's Deferred Fees and Restricted Stock Units and/or Account under the Plan. Such Elections shall comply with Code section 409A to the extent applicable, and be irrevocable except as otherwise provided in the Plan.

(bb) " **Exchange Act** " means the Securities Exchange Act of 1934, as amended.

(cc) " **Fair Market Value** " means the price of a share of Common Stock, as reported on the Composite Tape for New York Stock Exchange on the date and at the time designated by the Company.

(dd) " **Fees** " mean a Director's annual cash retainer and, as applicable, other additional annual cash retainers earned by a Director for service as a member of the Board during all or part of a calendar year (but excluding Restricted Stock Units).

(ee) " **Fee Deferral Election** " means an Election by a Participant to defer Fees pursuant to Article III, Section 3 of the Plan.

(ff) " **Participant** " means a Director, regardless of whether the Director elects to defer the payment of any Fees pursuant to a Fee Deferral Election.

(gg) " **Payment Commencement Date** " means the date payment(s) of amounts credited to a Participant's Account begin pursuant to Article III, Section 5.

(hh) " **Personal Representative** " means the person or persons who, upon the disability or incompetence of a Participant, have acquired on behalf of the Participant, by legal proceeding or otherwise, the right to receive the payments specified in this Plan.

(ii) " **Plan** " means this Valvoline Inc. 2016 Deferred Compensation Plan for Non-Employee Directors as it now exists or may be hereafter amended.

(jj) " **Restricted Stock Account** " means the portion of a Participant's Account that is separately accounted for and to which Restricted Stock Units are credited pursuant to Article III, Section 1.

(kk) " **Restricted Stock Units** " means either (i) the Participant's annual award of deferred Company restricted stock units for service as a Director, or (ii) deferred Company restricted stock units credited after the Separation Date to an Ashland Participant's Transferred Account in substitution of Ashland Restricted Stock Units credited to the Participant's Transferred Restricted Stock Subaccount prior to the Separation Date.

(ll) " **Secretary of the Treasury** " or " **Treasury** " means the United States Department of Treasury.

(mm) " **Separation Date** " means the date upon which the Valvoline Spin-Off is completed.

(nn) " **Stock Account** " means the portion of a Participant's Account that is separately accounted for and to which Deferred Fees are credited with Stock Units attributable to the Participant's hypothetical investment in the Common Stock Fund.

(oo) " **Stock Unit(s)"** means the hypothetical Common Stock share equivalents credited either (i) to a Participant's Stock Account pursuant to Article III, Section 1, or (ii) to an Ashland Participant's Transferred Account in substitution of Ashland Stock Units credited to the Participant's Transferred Stock Subaccount prior to the Separation Date.

(pp)" **Termination** " means retirement from the Board or termination of service as a Director for any other reason that constitutes a "separation from service" within the meaning of Code section 409A and the Treasury regulations and other guidance promulgated thereunder.

(qq) " **Transferred Account** " means the Ashland Plan bookkeeping account(s), and all Ashland Elections relating thereto, of an Ashland Participant transferred on the Transfer Date by Ashland Inc. or Ashland Global Holdings Inc. from the Ashland Plan to this Plan.

(rr) " **Transfer Date** " means the date an Ashland Participant's Transferred Account is transferred from the Ashland Plan to this Plan, which date shall be the Separation Date or such other date specified by the Committee.

(ss) " **Transferred Deferred Fee Subaccount** " means the portion of an Ashland Participant's Transferred Account that is separately accounted for and to which Deferred Ashland Fees were credited to the Ashland Participant under the Ashland Plan.

(tt) " **Transferred Stock Subaccount** " means the portion of an Ashland Participant's Transferred Account that is separately accounted for and to which Ashland Stock Units were credited to the Ashland Participant under the Ashland Plan.

(uu) " **Transferred Restricted Stock Subaccount** " means the portion of an Ashland Participant's Transferred Account that is separately accounted for and to which Ashland Restricted Stock Units were credited to the Ashland Participant under the Ashland Plan.

(vv) " **Unforeseeable Emergency** " means a severe financial hardship of a Participant (that cannot be alleviated by compensation or reimbursement received insurance companies or otherwise as provided in Treasury Regulation Section 1.409A-3(i)(3)) because of (i) an illness or accident of the Participant, the Participant's spouse or dependent (as defined in Code section 152(a)); (ii) a loss of the Participant's property due to casualty; or (iii) such other similar extraordinary unforeseeable circumstances because of events beyond the control of the Participant. Corporate Human Resources or its delegate shall determine whether a Participant has incurred an Unforeseeable Emergency.

(ww) " **Valvoline Spin-Off** " means the transaction or series of transactions initially approved by the board of directors of Ashland Inc. on September 16, 2015, intended to separate the Valvoline business from Ashland Inc.'s specialty chemical business and create two independent, publicly-traded companies.

3. SHARES; ADJUSTMENTS IN EVENT OF CHANGES IN CAPITALIZATION

(a) *Shares Authorized for Issuance* . There shall be reserved for issuance under the Plan one million (1,000,000) shares of Common Stock, subject to adjustment pursuant to subsection (b) below. Such shares shall be authorized but unissued shares of Common Stock.

(b) *Adjustments in Certain Events* . In the event of any change in the outstanding Common Stock of the Company by reason of any stock split, stock dividend, recapitalization, merger, consolidation, reorganization, combination, or exchange of shares, split-up, split-off, spin-off, liquidation or other similar change in capitalization, or any distribution to common shareholders other than ordinary cash dividends, the number or kind of shares that may be issued under the Plan shall be automatically adjusted so that the proportionate interest of the Directors shall be maintained as before the occurrence of such event. Effective as of the Separation Date, all Ashland Stock Units and Ashland Restricted Stock Units credited to an Ashland Participant's Transferred Account shall be converted into (and thereafter constitute the hypothetical investments of the Ashland Participant's Transferred Account) Stock Units and Restricted Stock Units. Such adjustments shall be conclusive and binding for all purposes of the Plan.

4. ELIGIBILITY

Each Director shall be eligible to, and shall participate in the Plan.

5. ADMINISTRATION

Full power and authority to construe, interpret and administer the Plan shall be vested in the Company and the Committee or one or more of their delegates. This power and authority includes, but is not limited to, establishing deferral terms and conditions and adopting modifications and amendments to procedures as may be deemed necessary or appropriate. This power and authority also includes, without limitation, the ability to construe and interpret provisions of the Plan, make determinations regarding law and fact, reconcile any inconsistencies between provisions in the Plan or between provisions of the Plan and any other statement concerning the Plan, whether oral or written, supply any omissions to the Plan or any document associated with the Plan, and to correct any defect in the Plan or in any document

associated with the Plan. Decisions of the Company and the Committee (or their delegates) shall be final, conclusive and binding upon all parties. Day-to-day administration of the Plan shall be the responsibility of Corporate Human Resources. The administration of and all interpretations under the Plan shall be made consistent with all applicable law.

ARTICLE II. FEES IN COMMON STOCK PROVISION

Each Participant may make an Election to receive all or a portion of his or her Fees in shares of Common Stock (in lieu of cash) *or* make a Fee Deferral Election to defer Fees pursuant to Article III, Section 3. A Participant who elects to receive Fees in shares of Common Stock shall receive such shares at the end of each quarter beginning in the quarter the Election is effective. The number of shares of Common Stock so issued shall be equal to the amount of Fees which otherwise would have been payable in cash during the quarter divided by the Fair Market Value. Only whole number of shares of Common Stock will be issued, with any fractional shares to be paid in cash.

ARTICLE III. DEFERRED COMPENSATION

1. PARTICIPANT'S ACCOUNT

(a) *Deferred Fee Account.* For each Participant who makes a Fee Deferral Election, there shall be established a Deferred Fee Account to which there shall be credited any Deferred Fees as of each Credit Date. The Deferred Fee Account shall be credited (or debited) on each Accounting Date with hypothetical income (or hypothetical loss) based upon the Deferred Fee Account's hypothetical investment in any one or more of the hypothetical investment options available under the Plan, as prescribed by the Committee or the Company and as elected by the Participant under the terms of Article III, Section 3. The crediting or debiting on each Accounting Date of such hypothetical income (or hypothetical loss) shall be made for the respective amounts that were subject to each Fee Deferral Election under Article III, Section 3.

(b) *Stock Account and Stock Units.* To the extent a Participant selects a Common Stock Fund as a hypothetical investment of the Participant's Deferred Fee Account, such shall be accounted for in the Stock Account (instead of the Deferred Fee Account) of the Participant, and shall be credited on each Accounting Date with Stock Units equal to the number of shares of Common Stock (including fractions of a share) that could have been purchased with the amount of such Deferred Fees at the Fair Market Value on the Accounting Date. As of the date of any dividend distribution date for the Common Stock, the Participant's Stock Account shall be credited with additional Stock Units equal to the number of shares of Common Stock (including fractions of a share) that could have been purchased, at the Fair Market Value on such date, with the amount which would have been paid as dividends on that number of shares (including fractions of a share) of Common Stock which is equal to the number of Stock Units then credited to the Participant's Stock Account with respect to a particular Fee Deferral Election under Article III, Section 3.

(c) *Restricted Stock Account and Restricted Stock Units.* Each Participant shall have his or her Restricted Stock Account credited on an Accounting Date with the number of Restricted Stock Units approved for such allocation equal to the number of shares of Common Stock (including fractions of a share) that could have been purchased with the dollar amount of the approved grant for this purpose at the Fair Market Value on the Accounting Date. The Restricted Stock Units so credited shall be separately maintained and accounted for in a Restricted Stock Account for the Participant. Amounts credited to the Restricted Stock Account shall be forfeitable until the one (1) year anniversary of the date on which such amounts were so credited; provided, however, if the Participant does not seek re-election as a Director, such forfeitable amounts shall become non-forfeitable on the date of the Board meeting that immediately precedes such one (1) year anniversary so long as the Participant is a Director on the day before such Board meeting. As of the date of any dividend distribution date for the Common Stock, the Participant's Restricted Stock Account shall be credited with additional Restricted Stock Units equal to the number of shares of Common Stock (including fractions of a share) that could have been purchased, at the Fair Market Value on such date, with the amount which would have been paid as dividends on that number of shares (including fractions of a share) of Common Stock which is equal to the number of Restricted Stock Units then credited to the Participant's Restricted Stock Account. The

additional Restricted Stock Units so allocated shall remain forfeitable until the date on which the Restricted Stock Units with respect to which the additional Restricted Stock Units were credited become non-forfeitable. On the date of a Participant's Termination prior to a Change in Control (other than in the circumstance described in the proviso in the third sentence of this paragraph (c)), all Restricted Stock Units (including fractional Restricted Stock Units) that have not become non-forfeitable shall be forfeited; provided, however, that on the date of a Participant's Termination on or after a Change in Control, all Restricted Stock Units (including fractional Restricted Stock Units) shall become non-forfeitable.

(d) *Transferred Account.* For each Ashland Participant, there shall be established a Transferred Account to which there shall be credited on the Transfer Date any amounts credited to such Participant under the Ashland Plan. Each Transferred Account shall have a Transferred Deferred Fee Subaccount, Transferred Stock Subaccount, and Transferred Restricted Stock Subaccount to which deferred Ashland Fees and hypothetical shares of Ashland Common Stock were credited under the Ashland Plan prior to the Transfer Date; and after the Separation Date, Common Stock shall replace any Ashland Common Stock as the hypothetical investments, with Stock Units replacing Ashland Stock Units and Restricted Stock Units replacing Ashland Restricted Stock replacing Ashland Restricted Stock Units. Each Transferred Stock Subaccount and Transferred Restricted Stock Subaccount shall be administered consistent with the dividend and vesting provisions of Article III, Sections 1(b) and 1(c) above.

2. EARLY PAYMENT/DISTRIBUTION

(a) *Unforeseeable Emergency* . A Participant or a Participant's Personal Representative may submit an application for a payment/distribution from the Participant's Account (including the non-forfeitable portion of the Restricted Stock Account) because of an Unforeseeable Emergency. The amount of the payment/distribution shall not exceed the amount necessary to satisfy the needs of the Unforeseeable Emergency. Such payment/distribution shall include an amount to pay taxes reasonably anticipated as a result of the payment/distribution. The amount allowed as a payment/distribution under this Article III, Section 2(a) shall take into account the extent to which the Unforeseeable Emergency may be relieved through reimbursement or compensation from insurance or liquidation of the Participant's assets (but only to the extent such liquidation would itself not cause a severe financial hardship). The payment/distribution shall be made in a single sum and paid as soon as practicable (but not later than sixty (60) days) after the application for the payment/distribution on account of the Unforeseeable Emergency is approved. The provisions of this Article III, Section 2(a) shall be interpreted and administered in accordance with applicable guidance that may be issued by the Treasury.

(b) *Disability* . A Participant or a Participant's legal representative may submit an application for a total payment/distribution from the Participant's Account (including the non-forfeitable portion of the Participant's Restricted Stock Account and Transferred Restricted Stock Subaccount) because of the Participant's Disability. The payment/distribution shall be made in a single lump sum and paid as soon as practicable (but not later than sixty (60) days) after the application is approved.

(c) *Prohibition on Acceleration* . Except as otherwise provided in the Plan and except as may be allowed in guidance from the Secretary of the Treasury, payments/distributions from a Participant's Account may not be made earlier than the time such amounts would otherwise be paid/distributed pursuant to the terms of the Plan. Notwithstanding anything herein to the contrary, acceleration of payments/distributions may be made in the discretion of the Company for any permitted purpose under Treas. Reg. section 1.409A-3(j)(4)(ii)-(xiv).

3. ELECTIONS

(a) *General* . Any Participant wishing to defer Fees under the Plan may elect to do so by completing and delivering a Fee Deferral Election on a form (which may be an online election form) prescribed by Corporate Human Resources (i) electing the time and form of payment/distribution (lump sum or installments not exceeding fifteen (15) years at a specified time or under a fixed schedule not exceeding fifteen (15) years) of such Deferred Fees, and (ii) designating the manner in which such Deferred Fees are to be deemed invested in accordance with Article III, Section 1. The timing of the filing of the appropriate Fee Deferred Election form shall be determined by the Company or the

Committee. An effective Fee Deferral Election to defer Fees may not be revoked or modified except as otherwise determined by the Company or the Committee in a manner consistent with applicable law (including, without limitation, Code section 409A) or as stated herein.

(b) *Permissible Fee Deferral Election* . A Participant's initial Fee Deferral Election to defer Fees may only be made in the taxable year before the Fees are earned, with one exception. The exception applies to a Participant during his or her first year of eligibility to participate in the Plan. In that event such a Participant may, if so offered by the Company or the Committee, elect to defer Fees for services performed after the Fee Deferral Election, provided that the Fee Deferral Election is made within thirty (30) days of the date the Participant first becomes eligible to participate in the Plan. A Participant's Fee Deferral Election under this Article III, Section 3(b) shall specify the amount or percentage of Fees deferred and the time and form of payment/distribution (lump sum installments not exceeding fifteen (15) years at a specified time or under a fixed schedule not exceeding fifteen (15) years) from among those described in Article III, Section 4 of the Plan. Each Fee Deferral Election to defer Fees may be treated as a separate election regarding the time and form of distribution, if so determined at the time of a particular election by the Company.

(c) *Hypothetical Investment Alternatives.* Subject to the following, a Participant may select, and elect to change an existing selection as to the hypothetical investment alternatives in effect with respect to amounts credited to the Participant's Account (in increments prescribed by the Committee or the Company) as often, and with such restrictions, as determined by the Committee or by the Company. Notwithstanding the foregoing, the following rules shall apply to investments of Stock Units, Restricted Stock Units, Ashland Stock Units and Ashland Restricted Stock Units:

1. *Stock Units* . Stock Units credited to a Participant's Stock Account cannot be transferred to another hypothetical investment alternative under the Plan.

2. *Restricted Stock Units* . Restricted Stock Units credited on an annual basis to a Participant's Restricted Stock Account cannot be transferred to another hypothetical investment alternative under the Plan; provided, however, that if the Participant makes an election prior to a grant of Restricted Stock Units, then upon the Participant satisfying the Board's Common Stock ownership guidelines, up to fifty percent (50%) of such Participant's Restricted Stock Units that become non-forfeitable, as credited to such Participant's Restricted Stock Account, may be transferred to another hypothetical investment alternative under the Plan.

3. *Ashland Stock Units.* Ashland Stock Units (and, after the Separation Date, Stock Units) credited to an Ashland Participant's Transferred Stock Subaccount cannot be transferred to another hypothetical investment alternative under the Plan.

4. *Ashland Restricted Stock Units.* Ashland Restricted Stock Units (and, after the Separation Date, Restricted Stock Units) credited to an Ashland Participant's Transferred Restricted Stock Subaccount cannot be transferred to another hypothetical investment under the Plan; provided, however, that upon the Participant satisfying the Board's Common Stock ownership guidelines, up to fifty percent (50%) of the Participant's non-forfeitable Transferred Restricted Stock Subaccount may be transferred to another hypothetical investment alternative under the Plan.

(d) *Ashland Elections.* Ashland Elections relating to an Ashland Participant's Transferred Account may not be changed except as provided in Article III, Section 4(d) below.

4. PAYMENT/DISTRIBUTION

(a) *Account* . In accordance with a Participant's Election and as prescribed by the Committee or the Company, (i) Deferred Fees credited to a Participant's Deferred Fee Account and Stock Account, and (ii) the non-forfeitable portion of the Participant's Restricted Stock Account, shall be paid/distributed (in cash or shares of Common Stock (or a combination of both) as determined by the Company or the Committee pursuant to the Participant's Fee Deferral Election (applicable to Deferred Fees) and Election (applicable to the

Participant's Restricted Stock Account); provided that if no such Fee Deferral Election or Election is made by a Participant such amounts shall be paid in a lump sum within sixty (60) days following Termination (provided that if such sixty (60) day period begins in one calendar year and ends in the next calendar year, the Participant shall have no right, directly or indirectly, to designate the calendar year of payment). In accordance with a Participant's Fee Deferral Election under Article III, Section 3, but subject to Sections 2 and 6 of Article III, amounts subject to such Fee Deferral Election in the Deferred Fee Account and Stock Account and subject to such Election in the Restricted Stock Account shall be paid/distributed --

1. Upon a Participant's Termination, including death, as either a lump sum or in installments not exceeding fifteen (15) years; or

2. At a specified time or under a fixed schedule not exceeding fifteen (15) years.

(b) *Transferred Account.* Except as otherwise provided in Section 4(d) of this Article III, each Ashland Participant's Transferred Account shall be paid pursuant to his or her Ashland Elections; and, in the absence of Ashland Elections, the Ashland Participant's Transferred Account shall be paid/distributed as provided in this Article III, Section 4.

(c) *Medium of Distribution and Default Method* . A Participant's Account shall be paid/distributed in cash or shares of Common Stock (or a combination of both) as determined by the Committee or the Company. Notwithstanding anything in the foregoing to the contrary, all of a Participant's Stock Units and Restricted Stock Units that are subject to the restrictions on hypothetical investment transfer described in Article III, Section 3(c) shall be paid/distributed to the Participant (or, in the event of the Participant's death, the Participant's Beneficiary(ies) or estate) in whole shares of Common Stock, with any remainder distributed in cash. The amounts so paid/distributed shall be paid paid/distributed first under the timing of distributions that applies to the portion of the Participant's Account being paid/distributed.

(d) *Election to Delay the Time or Change the Form of Payment/Distribution* . A Participant may make an Election to delay the time of a payment or change the form of a payment, or may elect to do both, with respect to an amount that would be payable pursuant to a Fee Deferral Election, Ashland Election or other Election (except in the event of a payment/distribution on account of the Participant's death) if all of the following Code section 409A requirements are met:

1. Such a subsequent Election may not take effect until at least twelve (12) months after it is made;

2. Any delay to the payment/distribution that would take effect because of the subsequent Election is at least to a date five (5) years after the date the payment/distribution otherwise would have begun; and

3. In the case of a payment/distribution that would be made under paragraph (a)2. of this Section 4, such a subsequent Election may not be made less than twelve (12) months before the date of the first scheduled payment.

5. PAYMENT COMMENCEMENT DATE

Payments of amounts deferred by Participants pursuant to valid Fee Deferral Elections, Elections and Ashland Elections shall commence in accord with such Fee Deferral Elections, Elections and Ashland Elections. If a Participant dies prior to the first deferred payment specified in a Fee Deferral Election, Election or Ashland Election, payments shall commence to the Participant's Beneficiary on the first payment/distribution date so specified.

6. CHANGE IN CONTROL

In the event of a Change in Control, the Company shall reimburse a Participant for the legal fees and expenses incurred if the Participant is required to seek to obtain or enforce any right to payment/distribution. In the event that it is determined that such Participant is properly entitled to a cash or other payment/distribution hereunder, such Participant shall also be entitled to interest thereon payable in an amount equivalent to the Prime Rate of Interest quoted by Citibank, N.A. as its prime commercial lending rate on the subject date from the date such payment/distribution should have been made to and including the date it is made. Notwithstanding any provision of this Plan to the contrary, this Article III, Section 6 and the definition of "Change in Control" in Article I may not be amended after a Change in Control occurs without the written consent of a majority in number of Participants.

ARTICLE IV. MISCELLANEOUS PROVISIONS

1. BENEFICIARY

If the Participant dies before receiving payment of all amounts due hereunder, remaining unpaid amounts shall be paid in one lump sum to the estate of such Participant which shall be the Participant's "Beneficiary" under this Plan.

2. INALIENABILITY; UNFUNDED PLAN

The interests of a Participant and his or her Beneficiary under the Plan may not in any way be voluntarily or involuntarily transferred, alienated or assigned by a Participant or a Participant's Beneficiary, nor be subject to attachment, execution, garnishment or other such equitable or legal process.

The Plan at all times shall be unfunded; and no provision shall be made at any time with respect to segregating assets of any Participant for the payment of any amounts hereunder. The Plan constitutes a mere promise of the Company to make payments to Participants (and, to the extent applicable, Participants' Beneficiaries) in the future. Participants and their Beneficiaries have rights only as unsecured general creditors of the Company.

3. GOVERNING LAW

The provisions of this Plan shall be interpreted and construed in accordance with the laws of the Commonwealth of Kentucky.

4. AMENDMENT AND TERMINATION

The Committee may amend, alter or terminate this Plan at any time; provided, however, that the Committee may not, without approval by the Board:

(a) materially increase the number of securities that may be issued under the Plan (except as provided in Article I, Section 3),

(b) materially modify the requirements as to eligibility for participation in the Plan, or

(c) otherwise materially increase the benefits accruing to Participants under the Plan.

5. COMPLIANCE WITH RULE 16b-3

It is the intention of the Company that the Plan comply in all respects with Rule 16b-3 promulgated under Section 16(b) of the Exchange Act and that Participants remain non-employee Directors for purposes of administering other employee benefit plans of the Company and having such other plans be exempt from Section 16(b) of the Exchange Act. Therefore, if any Plan provision is found not to be in compliance with Rule 16b-3 or if any Plan provision would disqualify Participants from remaining non-employee Directors, that provision shall be deemed amended so that the

Plan does so comply and the Participants remain non-employee Directors, to the extent permitted by law and deemed advisable by the Committee, and in all events the Plan shall be construed in favor of its meeting the requirements of Rule 16b-3.

6. COMPLIANCE WITH 409A

It is the intention of the Company and the Committee that the Plan be administered in compliance with Code section 409A and the applicable guidance issued thereunder by the Secretary of the Treasury. Any provision that is found to be inconsistent with Code section 409A or the applicable guidance issued thereunder by the Secretary of the Treasury shall be reformed and applied by the Company in a manner consistent with applicable law, as determined by the Company.

No representation is made to any Participant with respect to the tax or securities aspects or implications of the Plan; and Participants should consult with their own tax, financial and legal advisors with respect to their participation in the Plan. Neither the Company, nor any member of the Board or the Committee shall have any liability to any person in the event Code section 409A applies to any Account or payment under the Plan in a manner that results in adverse tax consequences for the Participant or any of his or her Beneficiary.

7. EFFECTIVE DATE

The Plan was approved by the Personnel and Compensation Committee of the Board of Directors of Ashland Inc. and established by the Company to be effective as of October 1, 2016.

IN WITNESS WHEREOF , Valvoline Inc. has caused its duly authorized representative to execute the Plan, this 30th day of September, 2016, to be effective as of the date noted above.

On Behalf of Valvoline Inc.

By: /s/ Peter J. Ganz

Peter J. Ganz
Senior Vice President, General Counsel and Secretary
Ashland Global Holdings Inc.

EXHIBIT 10.7

AMENDMENT TO THE ASHLAND INC.
NONQUALIFIED EXCESS BENEFIT PENSION PLAN

WHEREAS, Ashland Inc. ("Ashland"), maintains the Ashland Inc. Nonqualified Excess Benefit Pension Plan (the "Plan") for the benefit of employees eligible to participate therein; and

WHEREAS , Ashland is the sponsor of the Plan; and

WHEREAS , pursuant to Article IV, Section 5, of the Charter of the Personnel and Compensation Committee of the Board of Directors of Ashland Inc., said Personnel and Compensation Committee (the "Committee") has retained authority to amend or transfer any of the benefit plans of Ashland and its subsidiaries and affiliates that are more than 50% owned by Ashland; and

WHEREAS, the Committee has approved the transfer of the sponsorship of the Plan from Ashland to Valvoline LLC; and

WHEREAS , the Chief Financial Officer of Ashland Inc. has been delegated the authority by the Committee to prepare and execute any and all amendments necessary to give effect to this decision of the Committee.

NOW, THEREFORE, BE IT RESOLVED , the Plan is amended, effective September 1, 2016, as follows:

I. The following sentence is added after the first sentence of Section 1:

"In accordance with a corporate reorganization, effective as of September 1, 2016, sponsorship of the Plan was transferred from Ashland Inc. to Valvoline LLC."

II. All references to "Ashland" and "Ashland Inc." in the Plan after the recitals are hereinafter changed to "Valvoline" and "Valvoline LLC" respectively.

III. In all other respects the Plan shall remain unchanged.

IN WITNESS WHEREOF , the Chief Financial Officer has caused this amendment to the Plan to be executed this _____day of _____, 2016.

By: /s/ J. Kevin Willis
Chief Financial Officer, Ashland Inc.

EXHIBIT 10.8

AMENDMENT TO THE
AMENDED AND RESTATED SUPPLEMENTAL EARLY RETIREMENT PLAN FOR CERTAIN EMPLOYEES

WHEREAS, Valvoline LLC ("Valvoline") sponsors for the benefit of certain of its employees the Amended and Restated Supplemental Early Retirement Plan for Certain Employees (the "SERP"); and

WHEREAS, Valvoline desires to cease future benefit accrual under the terms of the SERP effective as of September 30, 2016 (the "Effective Date");

NOW, THEREFORE, the SERP shall be amended as follows:

I. Section 2.08 shall be amended to add the following sentence to the end thereto which shall read as follows:

Notwithstanding the foregoing, Continuous Service shall exclude any service of the Employee with Ashland Inc. (or any entity within the Ashland Inc. controlled group as detem1ined in accordance with Section 414 of the Code) upon the separation of Ashland Inc. from the controlled group (as determined in accordance with Section 414 of the Code) with Valvoline LLC; provided, however, for the purpose of determining whether an Employee separates from service for the purpose of determining a distribution, so long as an Employee remains a service provider (within the terms of Code section 409A) Ashland LLC (or any entity within the controlled group of such entity determined in accordance with Section 414 of the Code), the Employee shall not be deemed to have incurred a separation from service.

II. Section 2.11 shall be amended to add the following sentences to the end thereof which shall read as follows:

Notwithstanding the foregoing, the Final Average Bonus of a Participant shall not include any amounts paid after September 30, 2016, provided, however, that payments made under the Fiscal Year 2016 Annual Incentive Compensation program, payable in December of 2016, shall be included in determining the Final Average Bonus of a Participant. The determination of a Participant's Final Average Bonus shall be made as of September 30, 2016 and such amount
shall not be modified thereafter.

III. Section 2.12 shall be amended to add the following sentence to the end thereof which shall read as follows:

Notwithstanding the foregoing, the Final Average Compensation of a Participant shall not include any amounts paid after September 30, 2016. The determination of a Participant's Final Average Compensation shall be made as of September 30, 2016 and such amount shall not be modified thereafter.

IV. Section 5.06A shall be amended to add the following sentence to the end thereof which shall read as follows:

The determination as to whether a Participant is a Level I or II Participant, or is a Level III, IV and V Participant shall be made as of September 30, 2016 and later modifications to a Participant's employment shall not impact the means of determining benefits under this Plan.

V. In all other respect the Plan shall remain unchanged.

(Signature Page Immediately Follows)

IN WITNESS WHEREOF, this amendment to the Plan has been is executed this 30th day of September, 2016, to be effective as of the date indicated above.

On Behalf of Valvoline LLC

By: /s/ Peter J. Ganz

Peter J. Ganz
Senior Vice President, General Counsel and Secretary
Ashland Global Holdings Inc.

EXHIBIT 10.9

AMENDMENT TO THE
ASHLAND INC. NONQUALIFIED EXCESS BENEFIT PLAN

WHEREAS , Valvoline LLC ("Valvoline") sponsors for the benefit of certain of its employees the Ashland Inc. Nonqualified Excess Benefit Plan (the "Excess Plan"); and

WHEREAS , Valvoline desires to cease future benefit accrual under the terms of the Excess Plan effective as of September 30, 2016 (the "Effective Date");

NOW, THEREFORE , the Excess Plan shall be amended as follows:

I. Section 3(v) shall be added to the Plan to read as follows:

(v) Plan Benefit Freeze . The benefit accrual of a Participant shall cease as of September 30, 2016 and no service or compensation of a Participant following that date shall result in any additional benefit due under this Plan. Notwithstanding the provisions of this Section 3(v), any early retirement benefits and subsidization reduction factors to all Participants providing services as of September 30, 2016 shall be provided if the Participant attains age 55 prior to retirement. In addition, any "Rule of 80" requirement to receive an early retirement or subsidized benefit shall be applied by including all service with both Ashland Inc. and Valvoline LLC for Participants for so long as Ashland Inc. (or any entity within the controlled group of Ashland Inc. determined in accordance with Section 414 of the Internal Revenue Code) remains in the same controlled group, as determined within Section 414 of the Internal Revenue Code, of Valvoline LLC. Upon the cessation of Ashland Inc. and Valvoline LLC to be within the same controlled group, determined in accordance with Section 414 of the Internal Revenue Code, only service with Valvoline LLC (or any entity within its controlled group determined in accordance with Section 414 of the Internal Revenue Code) shall be included in determining satisfaction of the "Rule of 80." For the purpose of determining whether a Participant separates from service, so long as a Participant remains a service provider (within the terms of Code section 409A) for Valvoline LLC or Ashland LLC (or any entity within the controlled group of such entity determined in accordance with Section 414 of the Code), the Participant shall not be deemed to have incurred a separation from service.

II. In all other respect the Plan shall remain unchanged.

IN WITNESS WHEREOF , this amendment to the Plan has been is executed this 30th day of September, 2016, to be effective as of the date indicated above.

By: /s/ Peter J. Ganz
Peter J. Ganz
Senior Vice President, General Counsel and
Secretary

EXECUTION VERSION

AMENDMENT NO. 1
TO CREDIT AGREEMENT

THIS AMENDMENT NO. 1 TO CREDIT AGREEMENT (this " ***Amendment*** "), dated as of September 21, 2016, is entered into by and among Valvoline Finco One LLC, a Delaware limited liability company (the " ***Initial Borrower*** "), The Bank of Nova Scotia, as Administrative Agent (the " ***Administrative Agent*** "), and each Lender party hereto.

PRELIMINARY STATEMENTS

The Initial Borrower, The Bank of Nova Scotia, as Administrative Agent, Swing Line Lender and an L/C Issuer, Citibank, N.A., as Syndication Agent, and the Lenders from time to time party thereto entered into that certain Credit Agreement, dated as of July 11, 2016 (as amended, restated, extended, supplemented or otherwise modified in writing from time to time prior to the date hereof, the " ***Credit Agreement*** "; the terms defined therein being used herein as therein defined);

The Initial Borrower has requested an amendment to the Credit Agreement, effective as of the Amendment No. 1 Effective Date (as defined below) to amend certain provisions of the Credit Agreement as set forth herein; and

The Initial Borrower, the Lenders and the Administrative Agent have agreed that the Credit Agreement shall be amended as provided in Section 1 hereof, upon the terms and subject to the conditions set forth herein and effective as of the Amendment No. 1 Effective Date.

NOW, THEREFORE, in consideration of the premises and further valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

Section 1. Amendments to the Credit Agreement on the Amendment No. 1 Effective Date . The Credit Agreement shall be, effective as of the Amendment No. 1 Effective Date and subject to the satisfaction of the conditions precedent set forth in Section 2 hereof, hereby amended as follows:

(a) Section 1.01 of the Credit Agreement is hereby amended by inserting the following defined terms in the correct alphabetical order:

(i) " Amendment No. 1 " means Amendment No. 1 to this Agreement, dated as of September 21, 2016, among the Initial Borrower, the Administrative Agent and each Lender party thereto.

(ii) " Amendment No. 1 Effective Date " means the date on which Amendment No. 1 to this Agreement became effective in accordance with Section 2 thereof.

(b) The definition of "Audited Financial Statements" in Section 1.01 of the Credit Agreement shall be amended by inserting the text "of the Valvoline Business, for the fiscal years ended September 30, 2014 and September 30, 2015," immediately after the words "audited combined balance sheet".

(c) Section 4.02(k) of the Credit Agreement shall be amended by inserting the following proviso immediately before the period (".") at the end thereof:

"; *provided* that, so long as the Funding Date occurs prior to November 12, 2016, the delivery of the unaudited consolidated (or combined, as the case may be) balance sheet

and the related consolidated (or combined, as the case may be) statements of operations and comprehensive income, invested equity and cash flows, including the notes thereto, of the Valvoline Business for (x) the six-month period ended March 31, 2016, and (y) the nine-month period ended June 30, 2016, shall be deemed to satisfy this condition."

(d) Section 6.01(b) of the Credit Agreement shall be amended by replacing the text "June 30, 2016" therein with the text "December 31, 2016".

Section 2. Conditions to Amendment No. 1 Effective Date . Section 1 of this Amendment shall become effective on and as of the date (the " ***Amendment No. 1 Effective Date*** ") that the Administrative Agent or its counsel shall have received the following, each of which shall be electronic transmissions (followed promptly by originals), each in form and substance reasonably satisfactory to the Administrative Agent and its legal counsel:

(a) a counterpart of this Amendment, duly executed by the Initial Borrower, each of the Lenders immediately prior to the Amendment No. 1 Effective Date, and the Administrative Agent;

(b) such documents and certifications as the Administrative Agent may reasonably require to evidence that the Initial Borrower is duly organized or formed, and validly existing and in good standing in its state of incorporation;

(c) a certificate executed by a Responsible Officer of the Initial Borrower certifying as to the matters in clause (d) below; and

(d) the following representations and warranties of the Initial Borrower shall be true and correct on and as of the Amendment No. 1 Effective Date:

(i) no Default has occurred and is continuing on and as of the Amendment No. 1 Effective Date, or would result from this Amendment or any transactions contemplated hereby; and

(ii) the representations and warranties of the Initial Borrower set forth in Article V of the Credit Agreement that were required to be made on the Effective Date in accordance with the lead-in paragraph to Article V of the Credit Agreement are true and correct in all material respects (except that any representation and warranty that is qualified as to "materiality" or "Material Adverse Effect" is true and correct in all respects) on and as of the Amendment No. 1 Effective Date, except to the extent such representations and warranties specifically refer to an earlier date, in which case they shall be true and correct in all material respects (except that any representation and warranty that is qualified as to "materiality" or "Material Adverse Effect" shall be true and correct in all respects) as of such earlier date.

Section 3. Reference to and Effect on Loan Documents.

(a) On and after the Amendment No. 1 Effective Date, each reference in the Credit Agreement to "this Agreement", "hereunder", "hereof" or words of like import referring to the Credit Agreement and each reference in each of the other Loan Documents to "the Credit Agreement", "thereunder", "thereof" or words of like import referring to the Credit Agreement shall mean and be a reference to the Credit Agreement as amended by this Amendment.

(b) This Amendment is an amendment as referred to in the definition of Loan Documents and shall for all purposes constitute a Loan Document.

(c) On and after the Amendment No. 1 Effective Date, the Credit Agreement and each of the

other Loan Documents, as specifically amended by this Amendment, are and shall continue to be in full force and effect and are hereby in all respects ratified and confirmed. The execution, delivery and effectiveness of this Amendment shall not, except as expressly provided herein, operate as a waiver of any right, power or remedy of any Lender or the Administrative Agent under any of the Loan Documents.

Section 4. Costs and Expenses . The Borrower agrees to pay or reimburse all reasonable and documented out-of-pocket costs and expenses of the Administrative Agent in connection with the preparation, execution, delivery and administration of this Amendment (including, without limitation, the reasonable and documented fees and expenses of a single counsel for the Administrative Agent) in accordance with the terms of Section 10.04(a) of the Credit Agreement, which payment and reimbursement shall occur on the Funding Date to the extent such costs and expenses are invoiced at least three Business Days prior to the Funding Date.

Section 5. Execution in Counterparts . This Amendment may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute but one and the same agreement. Delivery of an executed counterpart of a signature page to this Amendment by telecopier or other electronic transmission (including ".pdf", ".tif" or similar format) shall be effective as delivery of a manually executed counterpart of this Amendment.

Section 6. Governing Law . THIS AMENDMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK.

[The remainder of this page intentionally left blank.]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be executed by their respective officers thereunto duly authorized as of the date first above written.

VALVOLINE FINCO ONE LLC

By: /s/ Lynn P. Freeman
Name: Lynn P. Freeman
Title: Assistant Treasurer

THE BANK OF NOVA SCOTIA
as Administrative Agent

By: /s/ Clement Yu
Name: Clement Yu
Title: Director

CITIBANK, N.A., as a Lender

By: /s/ Kirkwood Roland

Name: KIRKWOOD ROLAND

Title: MANAGING DIRECTOR
& VICE PRESIDENT

BANK OF AMERICA, N.A.,
as a Lender

By: /s/ Chris Dibiase
Name: Chris Dibiase
Title: Director

MORGAN STANLEY BANK, N.A.,
as a Lender

By: /s/ Lisa Vieira
Name: Lisa Vieira
Title: Authorized Signatory

THE BANK OF NOVA SCOTIA,
as a Lender

By: /s/ Michael Grad
Name: Michael Grad
Title: Director

DEUTSCHE BANK AG NEW YORK BRANCH,
as a Lender

By: /s/ Marcus M. Tarkington
Name: Marcus M. Tarkington
Title: Director

By: /s/ Dusan Lazarov
Name: Dusan Lazarov
Title: Director

GOLDMAN SACHS BANK USA,
as a Lender

By: /s/ Mehmet Barlas
Name: Mehmet Barlas
Title: Authorized Signatory

JPMORGAN CHASE BANK N.A.,
as a Lender

By: /s/ Erik Barragan
Name: Erik Barragan
Title: Authorized Officer

PNC BANK NATIONAL ASSOCIATION
as a Lender

By: /s/ Jeffrey P Fisher
Name: Jeffrey P Fisher
Title: Vice President

U.S. BANK NATIONAL ASSOCIATION,
as a Lender

By: /s/ Mark Irey
Name: Mark Irey
Title: Vice President

COMPASS BANK,
as a Lender

By: /s/ Cameron Gateman
Name: Cameron Gateman
Title: Senior Banker

BRANCH BANKING & TRUST COMPANY, as a
Lender

By: /s/ Ryan T. Hamilton

Name: Ryan T. Hamilton
Title: Vice President

THE BANK OF TOKYO-MITSUBISHI UFJ, LTD.,
as a Lender

By: /s/ Mark S. Campbell
Name: Mark S. Campbell
Title: Authorized Signatory

CITIZENS BANK OF PENNSYLVANIA,
as a Lender

By: /s/ Leslie D. Broderick
Name: Leslie D. Broderick
Title: Senior Vice President

FIFTH THIRD BANK.
as a Lender

By: /s/ Mike Gifford
Name: Mike Gifford
Title: Vice President

KEYBANK NATIONAL ASSOCIATION,
as a Lender

By: /s/ Brian P. Fox
Name: Brian P. Fox
Title: Senior Vice President

MIZUHO BANK LTD,
as a Lender

By: /s/ Donna DeMagistris
Name: Donna DeMagistris
Title: Authorized Signatory

SUNTRUST BANK,
as a Lender

By: /s/ Tesha Winslow
Name: Tesha Winslow
Title: Director

TD BANK, N.A.,
as a Lender

By: /s/ Michele Dragonetti
Name: Michele Dragonetti
Title: Senior Vice President

THE BANK OF NEW YORK MELLON,
as a Lender

By: /s/ William M. Feathers
Name: William M. Feathers
Title: Vice President

[HUNTINGTON NATIONAL BANK_____],
as a Lender

By: /s/ Joshua Emerson
Name: Joshua Emerson
Title: Vice President

BMO Harris Bank, N.A.,
as a Lender

By: /s/ L.M. Junior Del Brocco
Name: L.M. Junior Del Brocco
Title: Director

THE NORTHERN TRUST COMPANY,
as a Lender

By: /s/ John Canty
Name: John Canty
Title: Senior Vice President

ING BANK N.V., DUBLIN BRANCH,
as a Lender

By: /s/ Sean Hassett
Name: Sean Hassett
Title: Director

By: /s/ Padraig Matthews
Name: Padraig Matthews
Title: Vice President

EXHIBIT 10.15

Execution Version

SEPARATION AGREEMENT

by and between

ASHLAND GLOBAL HOLDINGS INC.

and

VALVOLINE INC.

Dated as of September 22, 2016

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SEPARATION AGREEMENT dated as of September 22, 2016, by and between ASHLAND GLOBAL HOLDINGS INC., a Delaware corporation ("Ashland Global ") and parent of Ashland LLC , and VALVOLINE INC., a Kentucky corporation ("Valvoline"). Capitalized terms used herein and not otherwise defined shall have the respective meanings assigned to them in Article I hereof.

R E C I T A L S

WHEREAS Ashland LLC, a Kentucky limited liability company ("Ashland LLC "), which prior to the effectiveness of this Agreement existed as a Kentucky corporation under the name "Ashland Inc.", acting through itself and its direct and indirect Subsidiaries, currently conducts the Ashland Global Business and the Valvoline Business;

WHEREAS the board of directors of Ashland Inc. (as predecessor to Ashland LLC) determined to separate Ashland LLC into two independent, publicly traded
companies: (a) Ashland Global, which following the Separation will own and conduct, directly and indirectly, the Ashland Global Business, and (b) Valvoline, which following the Separation will own and conduct, directly and indirectly, the Valvoline Business;

WHEREAS in connection with the Separation, Ashland LLC has become a wholly owned subsidiary of Ashland Global and, prior to the conversion to a limited liability company, the shareholders of Ashland Inc. have received shares of Ashland Global Common Stock in exchange for their Ashland Inc. shares;

WHEREAS the board of directors of Ashland Global has determined in connection with the Separation, on the terms contemplated hereby, to cause Valvoline to offer and sell for its own account in the Initial Public Offering a limited number of shares of Valvoline Common Stock;

WHEREAS after the Initial Public Offering, (i) Ashland Global may transfer shares of Valvoline Common Stock to stockholders of Ashland Global by means of one or more distributions by Ashland Global to its stockholders of shares of Valvoline Common Stock, one or more offers to stockholders of Ashland Global to exchange their Ashland Global Common Stock for shares of Valvoline Common Stock, or any combination thereof (the " Distribution ") or (ii) alternatively, Ashland Global may effect a disposition of its Valvoline Common Stock pursuant to one or more public or private offerings or other similar transactions ("Oth er Disposition ") or Ashland Global (or other permitted transferees) may continue to hold its interest in shares of Valvoline Common Stock;

WHEREAS this Agreement is intended to be, and is hereby adopted as, a "plan of reorganization" within the meaning of Section 1.368-2(g) of the Regulations;

WHEREAS for U.S. federal income tax purposes, the Distribution, if effected, is intended to qualify as a tax-free distribution under Section 355 of the Code; and

WHEREAS it is appropriate and desirable to set forth the principal corporate transactions required to effect the Separation and the Initial Public Offering and certain other agreements that will govern certain matters relating to the Separation, the Initial Public Offering and the Distribution or the Other Disposition, as applicable, and the relationship of Ashland Global, Valvoline and their respective Subsidiaries following the Separation.

NOW, THEREFORE, in consideration of the mutual agreements, provisions and covenants contained in this Agreement, the Parties, intending to be legally bound, hereby agree as follows:

ARTICLE I

Definitions

SECTION 1.01. Definitions. For the purposes of this Agreement, the following terms shall have the following meanings:

"Action" means any claim, demand, action, suit, countersuit, arbitration, inquiry, proceeding or investigation by or before any Governmental Authority or any Federal, state, local, foreign or international arbitration or mediation tribunal.

"Additional Pre-IPO Restructuring Transactions" means all of the transactions described in the Step Plan that occur after the Internal Transactions (defined below) but prior to the Initial Public Offering.

"Affiliate" of any Person means a Person that controls, is controlled by or is under common control with such Person. As used herein, "control" of any entity means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of such entity, whether through ownership of voting securities or other interests, by contract or otherwise; provided, however, that (i) Valvoline and the other members of the Valvoline Group shall not be considered Affiliates of Ashland Global or any of the other members of the Ashland Global Group and (ii) Ashland Global and the other members of the Ashland Global Group shall not be considered Affiliates of Valvoline or any of the other members of the Valvoline Group.

"Agreement" means this Separation Agreement, including the Schedules hereto.

"Ancillary Agreements" means the TSA, the RTSA, the TMA, the EMA, the IPA, the SERLA and any Conveyancing and Assumption Instruments executed in connection with the implementation of the transactions contemplated by this Agreement.

"Asbestos Liability" means any Ashland Global Asbestos Legacy Liability, any Ashland Global Asbestos Liability or any Valvoline Asbestos Liability.

"Ashland Corporate Employee" means any employee who (a) was not, at any time during the period between August 1, 2016 and the Separation Date, an employee of the Valvoline Group or expected to become an employee of the Valvoline Group in connection with the Initial Public Offering, (b) was not, at the time of the events or circumstances giving rise to the applicable Legacy Claim, a former employee who provided substantially all of his or her services to the Valvoline Business or any terminated, divested or discontinued businesses or operations of the Valvoline Business and (c) does not, or did not at the time of the events or circumstances giving rise to the applicable Legacy Claim, provide substantially all of his or her services to the Ashland Specialty Ingredients business, the Ashland Performance Materials business or any terminated, divested or discontinued businesses or operations of such businesses.

"Ashland Global" has the meaning set forth in the preamble.

"Ashland Global Asbestos Liability" means any Liability to the extent, and only to the extent, such Liability arises from or relates to the actual or alleged (a) exposure of any person to any asbestos actually or allegedly contained in or comprising any product, merchandise, manufactured good, part, component or other item manufactured, produced, sold, distributed, conveyed or placed in the stream of commerce, in each case, after the Separation Date by any member of the Ashland Global Group or in connection with any businesses or

operations of the Ashland Global Business, or (b) exposure of any person, after the Separation Date, to asbestos actually or allegedly contained in or comprising any building material, equipment or other asset, facility or real property then owned, leased or operated by any member of the Ashland Global Group or in connection with any businesses or operations of the Ashland Global Business.

"Ashland Global Asbestos Legacy Liability" means any Liability to the extent, and only to the extent, such Liability arises from or relates to the actual or alleged (a) exposure of any person to any asbestos actually or allegedly contained in or comprising any product, merchandise, manufactured good, part, component or other item manufactured, produced, sold, distributed, conveyed or placed in the stream of commerce, in each case, prior to or on the Separation Date (i) by any member of either the Ashland Global Group or the Valvoline Group (or by any of their respective predecessors in interest, including Ashland LLC or any Person that was a Subsidiary of Ashland LLC before giving effect to the Separation) or (ii) in connection with any existing, terminated, divested or discontinued businesses or operations of the Ashland Global Business or the Valvoline Business, or (b) exposure of any person, prior to or on the Separation Date, to asbestos actually or allegedly contained in or comprising any building material, equipment or other asset, facility or real property then owned, leased or operated (i) by any member of either the Ashland Global Group or the Valvoline Group (or by any of their respective predecessors in interest, including Ashland LLC or any Person that was a Subsidiary of Ashland LLC before giving effect to the Separation) or (ii) in connection with any existing, terminated, divested or discontinued businesses or operations of the Ashland Global Business or the Valvoline Business, except in each of (a) and (b), to the extent any such Liability is subject to, or is barred or covered by, workers' compensation, disability or other insurance providing medical care and/or compensation to injured workers, which Liability shall be deemed a Legacy Claim.

"Ashland Global Assets" means (i) all Assets of the Ashland Global Group, (i) the Ashland Global Retained Assets, (iii) any Assets held by a member of the Valvoline Group determined by Ashland Global, in good faith, to be primarily related to or used primarily in connection with the business or operations of the Ashland Global Business, (iv) all interests in the capital stock, or other equity interests in, the members of the Ashland Global Group (other than Ashland Global) and (v) the rights related to the Ashland Global Portion of any Shared Contract. Notwithstanding the foregoing, the Ashland Global Assets shall not include (a) any Assets governed by the TMA, (b) the Valvoline Assets and (c) any Assets required by Valvoline to perform its obligations under the RTSA.

"Ashland Global Business" means the business and operations conducted by Ashland Global and its Subsidiaries other than the Valvoline Business.

"Ashland Global Common Stock" means the common stock, $0.01 par value per share, of Ashland Global.

"Ashland Global Credit Support Instruments" has the meaning set forth in Section 3.01(a).

"Ashland Global Disclosure Sections" means all material set forth in, or incorporated by reference into, the IPO Registration Statement or the Valvoline Offering Memorandum to the extent relating exclusively to (i) the Ashland Global Group, (ii) the Ashland Global Business, (iii) Ashland Global's intentions with respect to any Distribution, or (iv) the terms of the Distribution, including the form, structure and terms of any transaction(s) and/or offering(s) to effect the Distribution and the timing of and conditions to the consummation of the Distribution.

"Ashland Global Environmental Liabilities" means, without duplication, the following Environmental Liabilities:

(a) all Environmental Liabilities, known or unknown, and whether arising or relating to events, conduct or conditions occurring prior to, on or after the Separation Date, to the extent such Liability

arises from or relates to:

(i) the Ashland Global Assets;

(ii) the operation or conduct of the Ashland Global Business (or any other business conducted by Ashland Global or any other member of the Ashland Global Group at any time after the Separation) or any member of the Ashland Global Group (or any of their respective predecessors in interest);

(iii) any Asset that was formerly owned, leased or operated in connection with the Ashland Global Business or by any member of the Ashland Global Group (or any of their respective predecessors in interest);

(iv) the operation or conduct of any business or operation that was discontinued, divested or terminated (in whole or in part) from or in connection with the Ashland Global Business or by any member of the Ashland Global Group (or any of their respective predecessors in interest); or

(v) any Release of Hazardous Material, including any off-site migration of any Hazardous Material prior to, on or after the Separation Date, at, under, to or from any Off-Site Location, to the extent such Liability arises from or relates to the operation or conduct of the Ashland Global Business or to any member of the Ashland Global Group

(or any of their respective predecessors in interest), and any Action or Third-Party Claim related thereto, whether or not a notice of potential responsibility, notice of claim or other communication has been received by any Person as of the Separation Date;

(b) Ashland Global's proportionate share of any Shared Environmental Remediation Liabilities, as further set forth in the SERLA; and

(c) all Environmental Liabilities arising out of or relating to compliance with any property transfer laws applicable to any of the Ashland Global Assets as the result of or in connection with the Separation.

Notwithstanding the foregoing, for purposes of the definition of "Ashland Global Environmental Liabilities", the terms "member of the Ashland Global Group" or "predecessor in interest" shall not include Ashland LLC (or any Person that was a Subsidiary of Ashland LLC before giving effect to the Separation) on behalf of, or in connection with, the ownership or operation of the Valvoline Business or any discontinued, divested or terminated businesses or operations of the Valvoline Business, the Valvoline Group or the Valvoline Entities. For the avoidance of doubt, "Ashland Global Environmental Liabilities" shall not include any "Valvoline Environmental Liabilities".

"Ashland Global Group" means Ashland Global and each Person that will be a Subsidiary of Ashland Global after giving effect to the Separation, but excluding any member of the Valvoline Group and the Valvoline Entities.

" Ashland Global Indemnitees " has the meaning set forth in Section 6.02.

"Ashland Global IP" means the Intellectual Property included in the Ashland Global Assets.

"Ashland Global Insurance Policies" means any and all policies of insurance except D&O Insurance Policies, current or past, which are or at any time were maintained by or on behalf of or for the benefit

or protection of Ashland Global (or its respective predecessors in interest, including Ashland LLC or any Person that was a Subsidiary of Ashland LLC before giving effect to the Separation) and its Subsidiaries, including, without limitation, property and liability insurance policies, but excluding the Valvoline Insurance Policies.

"Ashland Global Legacy Claims" means:

(a) all Legacy Claims associated with Ashland Inc.'s Specialty Ingredients business or Performance Materials business as such businesses were constituted as of August 1, 2016 or any time thereafter, wherever arising, including any Legacy Claim brought by any individual who provided substantially all of his or her services to either such business at the time of the events or circumstances giving rise to such Legacy Claim, but excluding any Legacy Claim brought by any Ashland Corporate Employee;

(b) all Legacy Claims asserted by any individual who was an Ashland Corporate Employee as of August 1, 2016 or at any time thereafter on or prior to the Separation Date, wherever arising;

(c) any Legacy Claims asserted in a jurisdiction outside of the United States by any individual who was an Ashland Corporate Employee at any time prior to, but not including, August 1, 2016;

(d) any Legacy Claims asserted in a jurisdiction outside of the United States and associated with any terminated, divested or discontinued businesses or operations of the Ashland Global Group (other than the Valvoline Business and any terminated, divested or discontinued businesses or operations of the Valvoline Business), including any Legacy Claim brought by any individual who provided substantially all of his or her services to any such business at the time of the events or circumstances giving rise to such Legacy Claim; or

(e) any Legacy Claims that are actively managed on the books of Ashmont Insurance Company, Inc. as of June 30, 2016.

"Ashland Global Liabilities" means, without duplication, the following Liabilities:

(a) all Liabilities of the Ashland Global Group;

(b) all Liabilities to the extent relating to, arising out of or resulting from:

(i) the operation or conduct of the Ashland Global Business as conducted at any time prior to the Separation (including any Liability to the extent relating to, arising out of or resulting from any act or failure to act by any director, officer, employee, agent or representative (whether or not such act or failure to act is or was within such Person's authority), which act or failure to act relates to the Ashland Global Business);

(ii) the operation or conduct of the Ashland Global Business or any other business conducted by Ashland Global or any other member of the Ashland Global Group at any time after the Separation (including any Liability relating to, arising out of or resulting from any act or failure to act by any director, officer, employee, agent or representative (whether or not such act or failure to act is or was within such Person's authority));

(iii) any terminated, divested or discontinued businesses or operations of the Ashland Global Business (other than the Valvoline Business, the Valvoline Group, the Valvoline Entities and any terminated, divested or discontinued businesses or operations of the Valvoline Business); or

(iv) the Ashland Global Assets (other than the Capital Stock and other equity

interests, direct or indirect, of any member of the Valvoline Group);

(c) the Ashland Global Retained Liabilities;

(d) any obligations related to the Ashland Global Portion of any Shared Contract;

(e) all Ashland Global Environmental Liabilities;

(f) all other Liabilities that are expressly provided by this Agreement or any Ancillary Agreement (except the TMA) as Liabilities to be assumed or retained by, or allocated to, any member of the Ashland Global Group;

(g) all Ashland Global Asbestos Liabilities and Ashland Global Asbestos Legacy Liabilities;

(h) any Liabilities determined by Ashland Global, in good faith, to be primarily related to the business or operations of the Ashland Global Business (unless otherwise expressly provided in this Agreement); and

(i) all Ashland Global Legacy Claims.

Notwithstanding the foregoing, the Ashland Global Liabilities shall not include (x) any Liabilities governed by the TMA or (y) any Valvoline Liabilities.

"Ashland Global Portion" has the meaning set forth in Section 2.04.

"Ashland Global Retained Assets" means the Assets to be retained by the Ashland Global Group set forth on Schedule I.

"Ashland Global Retained Liabilities" means the Liabilities to be retained by the Ashland Global Group set forth on Schedule II.

"Ashland Global Tax Opinions" has the meaning set forth in the TMA. "Ashland LLC" has the meaning set forth in the Recitals to this Agreement. "Ashland LLC Contribution" has the meaning set forth in the Step Plan. "Assets" means all assets, properties and rights (including goodwill), wherever located (including in the possession of vendors or other third parties or elsewhere), whether real, personal or mixed, tangible or intangible, or accrued or contingent, in each case whether or not recorded or reflected or required to be recorded or reflected on the books and records or financial statements of any Person, including the following:

(a) all accounting and other books, records and files, whether in paper, microfilm, microfiche, computer tape or disc, magnetic tape, electronic recording or any other form;

(b) all apparatus, computers and other electronic data processing equipment, fixtures, machinery, furniture, office and other equipment, including hardware systems, circuits and other computer and telecommunication assets and equipment, automobiles, trucks, aircraft, rolling stock, vessels, motor vehicles and other transportation equipment, special and general tools, test devices, prototypes and models and other tangible personal property;

(c) all inventories of materials, parts, raw materials, supplies, work-in-process and finished goods and products;

(d) all owned and leased real property, in each case, together with any right, title and interest in any buildings, structures, improvements, parking lots and fixtures thereon or appurtenant thereto, and all interests in real property of whatever nature, including rights of way, licenses and easements, whether as owner, mortgagee or holder of a Security Interest in real property, lessor, sublessor, lessee, sublessee or otherwise;

(e) all interests in any capital stock or other equity interests of any Subsidiary or any other Person; all bonds, notes, debentures or other securities issued by any Subsidiary or any other Person; all loans, advances or other extensions of credit or capital contributions to any Subsidiary or any other Person; all other investments in securities of any Person; and all rights as a partner, joint venturer or participant;

(f) all license agreements, leases of personal property, open purchase orders for raw materials, supplies, parts or services, unfilled orders for the manufacture and sale of products and other contracts, agreements or commitments and all rights arising thereunder;

(g) all deposits, letters of credit, performance bonds and other surety bonds;

(h) all written technical information, data, specifications, research and development information, engineering drawings, operating and maintenance manuals and materials and analyses prepared by consultants and other third parties;

(i) all Intellectual Property;

(j) all websites, content, text, graphics, images, audio, video and other works of authorship, in each case to the extent not included in subsection (i) of this section;

(k) all cost information, sales and pricing data, customer prospect lists, supplier records, customer and supplier lists, subscriber, customer and vendor data, correspondence and lists, product literature and other advertising and promotional materials, artwork, design, development and manufacturing files, vendor and customer drawings, formulations and specifications, server and traffic logs, quality records and reports and other books, records, studies, surveys, reports, plans, business records and documents, in each case to the extent not included in subsection (i) of this section;

(l) all prepaid expenses, trade accounts and other accounts and notes receivable (whether current or non-current);

(m) all claims or rights against any Person arising from the ownership of any other Asset, all rights in connection with any bids or offers, all claims, causes in action, lawsuits, judgments or similar rights, all rights under express or implied warranties, all rights of recovery and all rights of setoff of any kind and demands of any nature, in each case whether accrued or contingent, whether in tort, contract or otherwise and whether arising by way of counterclaim or otherwise;

(n) all rights under insurance policies and all rights in the nature of insurance, indemnification or contribution;

(o) all Permits and all pending applications therefor;

(p) Cash, bank accounts, lock boxes and other deposit arrangements;

(q) interest rate, currency, commodity or other swap, collar, cap or other hedging or similar agreements or arrangements; and

(r) all goodwill as a going concern and other intangible properties.

"Cash" means cash, cash equivalents, bank deposits and marketable securities, whether denominated in United States dollars or otherwise.

"Cash Management Arrangements" shall mean all cash management arrangements pursuant to which Ashland Global or its Subsidiaries automatically or manually sweep cash from, or automatically or manually transfer cash to, accounts of Valvoline or any of its Subsidiaries.

"CERCLA" means the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, 42 U.S.C. § 9601 et seq., as amended.

"Code" means the Internal Revenue Code of 1986, as amended. "Commission" means the Securities and Exchange Commission.

"Consents" means any consents, waivers or approvals from, or notification or filing requirements to, any Person other than a member of either Group.

"Conveyancing and Assumption Instruments" shall mean, collectively, the various contracts and other documents heretofore entered into and to be entered into to effect the transfer of Assets and the assumption of Liabilities in the manner contemplated by this Agreement and the Step Plan, or otherwise relating to, arising out of or resulting from the transactions contemplated by this Agreement in such form or forms as Ashland Global determines in good faith and are consistent with the requirements of Section 2.06.

"Credit Support Instruments" has the meaning set forth in Section 3.01(a). "Determination" has the meaning set forth in the TMA.

"Distribution" has the meaning set forth in the Recitals to this Agreement.

"Distribution Date" means the date of the Distribution or if no Distribution has occurred, the date that Ashland Global ceases to control (as defined in the definition of "Affiliate" herein) Valvoline.

"D&O Insurance Policies" has the meaning set forth in Section 8.02.
(a).

"EMA" means the Employee Matters Agreement dated as of the date of this Agreement by and among Ashland Global and Valvoline.

"Environmental Law" means any Law relating to (a) pollution, (b) protection or restoration of the environment, natural resources or threatened or endangered species or biota,
(a) the generation, processing, blending, use, management, storage, handling, transport, distribution, recycling, treatment, disposal, remediation, Release or threatened Release of, or the classification, registration or control of, any pollutant or hazardous or toxic material, substance or waste, and all recordkeeping, notification, disclosure and reporting requirements relating thereto, (d) process safety management or risk management programs or (e) human health and safety (as such relates to exposure to any pollutant or hazardous or toxic material, substance or waste).

"Environmental Liability" means any Liability under Environmental Law, including fines, penalties, losses, costs, expenses and disbursements, that relates to, arises out of or results from:

(a) compliance or actual or alleged noncompliance with any Environmental Law, including any failure to obtain, maintain or comply with any Environmental Permit, and any costs and expenses (including but not limited to capital expenditures) required to address or resolve such compliance or noncompliance;

(b) the generation, processing, blending, use, management, storage, handling, transport, distribution, recycling, treatment or disposal of any Hazardous Material;

(c) Remedial Action at any location, including in connection with any actual or alleged natural resources damages associated with the presence, Release or threatened Release of any Hazardous Material;

(d) actual or alleged exposure of any person to any Hazardous Material; provided , that, to the extent such Liability relates to, arises out of or results from exposure occurring prior to or on the Separation Date, or after the Separation Date but prior to or on the Trigger Date, and is subject to, or is barred or covered by, workers' compensation, disability or other insurance providing medical care and/or compensation to injured workers, such Liability shall be (i) if the exposure occurred prior to or on the Separation Date, deemed a Legacy Claim or (ii) if the exposure occurred after the Separation Date but prior to or on the Trigger Date, governed by the EMA; and

(e) any Action or Third-Party Claim arising out of or relating to any of the foregoing (including for property damages and damages associated with personal injury, medical monitoring or wrongful death); provided , however , that none of (a) - (e) in this definition of "Environmental Liability" shall include any Asbestos Liability or, except as specifically provided in (d), any Legacy Claim.

"Environmental Permit " means any approval, concession, grant, franchise, license, permit, certificate, exemption, registration, waiver or other authorization granted, issued or accepted by any Governmental Authority in connection with the operation or conduct of the business and required under Environmental Law.

"Exchange" means the New York Stock Exchange.

"Exchange Act " means the Securities Exchange Act of 1934, as amended, together with the rules and regulations promulgated thereunder.

"First Post-Distribution Report " has the meaning set forth in Section 12.07.

"Governmental Approvals " means any notices, reports or other filings to be given to or made with, or any Consents to be obtained from, any Governmental Authority.

"Governmental Authority " means any Federal, state, local, foreign or international court, government, department, commission, board, bureau, agency, official or other legislative, judicial, regulatory, administrative or governmental authority.

"Group" means either the Ashland Global Group or the Valvoline Group, as the context requires.

"Hazardous Material " means any material, substance or waste that, in relevant form, quantity or concentration or based on its characteristics, is listed, defined or regulated as hazardous or toxic or as a pollutant or environmental contaminant (or words of similar import) pursuant to any Environmental Law, including any petroleum or petroleum products, constituents, by-products or derivatives (including crude oil, used oil and waste oil), asbestos or asbestos-containing materials, polychlorinated biphenyls or radioactive

materials (including NORM).

"Indemnifying Party" has the meaning set forth in Section 6.04(a).

"Indemnitee" has the meaning set forth in Section 6.04(a).

"Indemnity Payment" has the meaning set forth in Section 6.04(a).

"Information" means information, whether or not patentable, copyrightable or protectable as a trade secret, in written, oral, electronic or other tangible or intangible forms, stored in any medium now known or yet to be created, including studies, reports, records, books, contracts, instruments, surveys, discoveries, ideas, concepts, know-how, processes, formulae, techniques, technical data, designs, specifications, drawings, blueprints, diagrams, models, prototypes, samples, flow charts, Software, pricing and cost information, business and marketing plans and proposals, customer and supplier names and lists, communications by or to attorneys (including attorney-client privileged communications), memos and other materials prepared by attorneys or under their direction (including attorney work product) and other technical, financial, employee or business information or data, documents, correspondence, materials and files.

"Initial Public Offering" means the initial public offering of the Valvoline Common Stock.

"Insurance Proceeds" means those monies:

(a) received by an insured (or its successor-in-interest) from an insurance carrier;

(b) paid by an insurance carrier on behalf of the insured (or its successor-in-interest); or

(c) received (including by way of setoff) from any third party in the nature of insurance, contribution or indemnification in respect of any Liability;

in any such case net of any applicable premium adjustments (including reserves and retrospectively rated premium adjustments), net of any costs or expenses incurred in the collection thereof and net of any taxes resulting from the receipt thereof.

"Intellectual Property" means any and all intellectual property rights existing anywhere in the world associated with all (a) patents (including all reissues, divisionals, continuations, continuations-in-part, reexaminations, supplemental examinations, inter partes reviews, post-grant oppositions, covered business method reviews, substitutions and extensions thereof), patent registrations and applications, including provisional applications, statutory invention registrations, invention disclosures and inventions, (b) trademarks, service marks, trade names, logos, slogans, trade dress or other source identifiers, including any registration or any application for registration therefor, together with all goodwill associated therewith (the elements of this subsection (b), collectively, "Trademark Assets"), (c) copyrights, moral rights, works of authorship (whether or not copyrightable, including all translations, adaptations, derivations and combinations thereof), mask works, designs and database rights, including, in each case, any registrations and applications for registration therefor, (d) Internet domain names, including top level domain names and global top level domain names, URLs, user names, social media identifiers, handles and tags, (e) Software, (f) Trade Secrets and other confidential Information,
(a) all tangible embodiments of the foregoing in whatever form or medium, (h) licenses from third parties granting the right to use any of the foregoing and (i) any other legal protections and rights related to any of the foregoing.

"Intercompany Accounts" has the meaning set forth in Section 2.03(a).

"Intercompany Agreements" has the meaning set forth in Section 2.03(a).

"Internal Transactions" means all of the transactions described in the Step Plan through the Ashland Conversion (as defined in the Step Plan).

"IPA" means the Intellectual Property Agreement dated as of August 1, 2016, by and between Ashland Licensing and Intellectual Property LLC and Valvoline Licensing and Intellectual Property LLC.

"IPO Registration Statement" means the registration statement on Form S-1 filed under the Securities Act (No. 333-211720) pursuant to which the offering of Valvoline Common Stock to be sold by Valvoline in the Initial Public Offering will be registered, as amended from time to time.

"Law" means any statute, law, regulation, ordinance, rule, judgment, rule of common law, order, decree, directive, requirement or other governmental restriction or any similar binding and enforceable form of decision of, or determination by, or agreement with, or any interpretation or administration of any of the foregoing by, any Governmental Authority, whether now or hereinafter in effect and, in each case, as amended.

"Legacy Claims" means any claims, Action or other Liability, whether known or unknown, arising on or prior to the Separation Date, to the extent arising out of or otherwise relating to (a) work-related injury or illness (including workers' compensation claims, disability or other insurance providing medical care and/or compensation to injured workers), (b) property damages and damages associated with personal injury, medical monitoring or wrongful death in connection with the operation of a vehicle, (c) actual or potential employee-related Liabilities (except as otherwise provided in the Employee Matters Agreement), (d) property damages and damages associated with personal injury, medical monitoring or wrongful death in connection with the operation or conduct of any business or (e) property damages and damages associated with personal injury, medical monitoring or wrongful death in connection with the manufacture, production, sale, distribution, conveyance or placement in the stream of commerce or any products or inventory. "Legacy Claims" excludes all (i) Ashland Global Asbestos Legacy Liabilities, except to the extent any such Liability is subject to, or is barred or covered by, workers' compensation, disability or other insurance providing medical care and/or compensation to injured workers, and (ii) all Environmental Liabilities, except as specifically provided in subsection (d) of that definition.

"Liabilities" means any and all claims, debts, demands, actions, causes of action, suits, damages, obligations, accruals, accounts payable, reckonings, bonds, indemnities and similar obligations, agreements, promises, guarantees, make-whole agreements and similar obligations, and other liabilities and requirements, including all contractual obligations, whether absolute or contingent, matured or unmatured, liquidated or unliquidated, accrued or unaccrued, known or unknown, whenever arising, and including those arising under any Law, Action, threatened or contemplated Action or any award of any arbitrator or mediator of any kind, and those arising under any contract, commitment or undertaking, including those arising under this Agreement, in each case, whether or not recorded or reflected or required to be recorded or reflected on the books and records or financial statements of any Person. For the avoidance of doubt, Liabilities shall include attorneys' and consultants' fees, the costs and expenses of all assessments, judgments, settlements and compromises, and any and all other costs and expenses whatsoever reasonably incurred in connection with anything contemplated by the preceding sentence (including costs and expenses incurred in investigating, preparing or defending against any such Actions or threatened or contemplated Actions).

"Litigation Condition" has the meaning set forth in Section 6.05(b).

"Off-Site Location" means any real property or facility to which Hazardous Materials were sent by or on behalf of any member of either Group (or any of their respective

predecessors in interest) or the Valvoline Entities for disposal, treatment, reclamation or recycling in connection with the operation of their respective businesses.

"Other Disposition" has the meaning set forth in the Recitals to this Agreement.

"Party" means either party hereto, and "Parties" means both parties hereto.

"Permit" means any approval, concession, grant, franchise, license, permit, certificate, exemption, registration, waiver or other authorization granted or issued by any Governmental Authority to conduct the business as of the Separation Date.

"Person" means an individual, a general or limited partnership, a corporation, a trust, a joint venture, an unincorporated organization, a limited liability company, any other entity and any Governmental Authority.

"Prospectus" means the prospectus or prospectuses included in any of the Registration Statements, as amended or supplemented by any prospectus supplement and by all other amendments and supplements to any such prospectus, including post-effective amendments and all material incorporated by reference in such prospectus or prospectuses.

"Registration Rights Agreement" means the Registration Rights Agreement in substantially the form attached hereto as Exhibit A, to be entered into by and between Ashland Global and Valvoline.

"Registration Statements" means the IPO Registration Statement and any registration statement in connection with the Distribution or Other Disposition, including in each case the Prospectus related thereto, amendments and supplements to any such Registration Statement and/or Prospectus, including post-effective amendments, all exhibits thereto and all materials incorporated by reference in any such Registration Statement or Prospectus.

"Regulations" has the meaning set forth in the TMA.

"Release" means any release, spill, emission, leaking, dumping, injection, pouring, pumping, placing, discarding, abandoning, deposit, disposal, discharge, dispersal, leaching or migration into or through the environment or any building, structure, facility, fixture or equipment.

"Released Insurance Matters" has the meaning set forth in Section 8.01(i).

"Remedial Action" means any investigation, assessment, response, removal, remediation, or any treatment, containment, or corrective or monitoring action or activity, related to the presence or Release of any Hazardous Material, including any action or activity to prevent or minimize a Release or threatened Release of any Hazardous Material in order to avoid any endangerment or threat of endangerment to public health and welfare or the environment.

"Representation Letters" has the meaning set forth in the TMA.

"Retained Information" has the meaning set forth in Section 7.04.

"RTSA" means the Reverse Transition Services Agreement dated as of the date of this Agreement between Ashland Global and Valvoline.

"Securities Act" means the Securities Act of 1933, as amended.

"Security Interest" means any mortgage, security interest, pledge, lien, charge, claim, option, right to acquire, voting or other restriction, right-of-way, covenant, condition, easement, encroachment, restriction on transfer or other encumbrance of any nature whatsoever.

"SERLA" means the Shared Environmental Remediation Liabilities Agreement dated as of the date of this Agreement by and between Ashland Global and Valvoline.

"Separation" means (a) the Internal Transactions, (b) the Additional Pre-IPO Restructuring Transactions, (c) any actions to be taken pursuant to Article II and (d) any other transfers of Assets and assumptions of Liabilities, in each case, between a member of one Group and a member of the other Group, provided for in this Agreement or in any Ancillary Agreement.

"Separation Date" has the meaning set forth in Section 4.03.

"Shared Contract" means any contract or agreement of any member of either Group that relates in any material respect to both the Valvoline Business and the Ashland Global Business, including the contracts and agreements set forth on Schedule VI; provided that the Parties may, by mutual written consent, elect to include in, or exclude from, this definition any contract or agreement.

"Shared Environmental Remediation Liability" means any Liability, including fines, penalties, losses, costs, expenses and disbursements, that relates to or arises out of Environmental Law (a) for performing or funding the costs of Remedial Action at any location, including in connection with any actual or alleged natural resources damages associated with the presence, Release or threatened Release of any Hazardous Material, as well as any Action or Third-Party Claim relating to or arising out of any of the foregoing, and (b) is alleged by any Person (including any member of either Group or any Valvoline Entity) to be attributable in part, on the one hand, to any member of the Ashland Global Group or to the Ashland Global Business and in part, on the other hand, to any member of the Valvoline Group, the Valvoline Business or the Valvoline Entities, in each case, whether known or unknown and regardless of when such Liability arises or is identified (including, for the avoidance of doubt, any actual or contingent Liability known as of the Separation Date but only determined, in accordance with the provisions of this Agreement or the SERLA, after the Separation Date to be a Shared Environmental Remediation Liability); provided, however, that the definition of "Shared Environmental Remediation Liability" shall not include any Liability relating to or arising out of property damages, damages associated with personal injury, medical monitoring or wrongful death, or actual or alleged noncompliance with any Environmental Law or Environmental Permit. A list of Shared Environmental Remediation Liabilities known as of the date hereof, as well as the proportionate shares of each such Shared Environmental Remediation Liability that have been allocated as of the date hereof to any member of the Ashland Global Group and to any member of the Valvoline Group or the Valvoline Entities, is set forth on Exhibit A to the SERLA.

"Software" means any and all (a) computer programs and applications, including any and all software implementation of algorithms, models and methodologies, whether in source code, object code, human readable form or other form, (b) databases, database rights and compilations, including any and all data and collections of data, whether machine readable or otherwise, (c) descriptions, flow charts and other work product used to design, plan, organize and develop any of the foregoing, screens, user interfaces, report formats, firmware, development tools, templates, menus, buttons and icons, (d) all documentation including user manuals and other training documentation relating to any of the foregoing and (e) all tangible embodiments of the foregoing in whatever form or medium now known or yet to be created, including all disks, diskettes and tapes.

"Step Plan" means the Restructuring Step Plan attached as Exhibit B.

"Subsidiary" of any Person means any corporation or other organization, whether incorporated or unincorporated, of which at least a majority of the securities or interests having by the terms thereof ordinary voting power to elect at least a majority of the board of directors or others performing similar

functions with respect to such corporation or other organization, is directly or indirectly owned or controlled by such Person or by any one or more of its Subsidiaries, or by such Person and one or more of its Subsidiaries.

"taxes" has the meaning set forth in the TMA.

"Third-Party Claim" means any assertion by a Person (including any Governmental Authority) who is not a member of the Ashland Global Group or the Valvoline Group of any claim, or the commencement by any such Person of any Action, against any member of the Ashland Global Group or the Valvoline Group.

"Third-Party Proceeds" has the meaning set forth in Section 6.04(a).

"TMA" means the Tax Matters Agreement dated as of the date of this Agreement by and between Ashland Global and Valvoline.

"Trade Secrets" means trade secrets within the meaning of applicable law and any information that derives independent economic value, actual or potential, from not being generally known and is the subject of efforts to maintain its secrecy.

"Trigger Date" means, December 1, 2016.

"TSA" means the Transition Services Agreement dated as of the date of this Agreement between Ashland Global and Valvoline.

"Underwriters" means the managing underwriters for the Initial Public Offering.

"Underwriting Agreement" means the Underwriting Agreement to be entered into by and among Valvoline and the Underwriters in connection with the offering of Valvoline Common Stock by Valvoline in the Initial Public Offering.

"Valvoline" has the meaning set forth in the preamble.

"Valvoline Asbestos Liability" means any Liability to the extent, and only to the extent, such Liability arises from or relates to the actual or alleged (a) exposure of any person to any asbestos actually or allegedly contained in or comprising any product, merchandise, manufactured good, part, component or other item manufactured, produced, sold, distributed, conveyed or placed in the stream of commerce, in each case, after the Separation Date by any member of the Valvoline Group or the Valvoline Entities or in connection with any businesses or operations of the Valvoline Business, or (b) exposure of any person, after the Separation Date, to asbestos actually or allegedly contained in or comprising any building material, equipment or other asset, facility or real property then owned, leased or operated by any member of the Valvoline Group or the Valvoline Entities or in connection with any businesses or operations of the Valvoline Business; provided, that in each of (a) and (b), to the extent any such Liability is subject to, or is barred or covered by, workers' compensation, disability or other insurance providing medical care and/or compensation to injured workers, such Liability shall be, if the exposure occurred after the Separation Date but prior to or on the Trigger Date, governed by the EMA.

"Valvoline Assets" means, without duplication, the following Assets:

(a) all Assets held by the Valvoline Group;

(b) all interests in the capital stock of, or other equity interests in, the members of the Valvoline Group (other than Valvoline) and all other equity, partnership, membership, joint venture and similar interests set forth on Schedule III under the caption "Joint Ventures and Minority Investments";

(c) all Assets reflected on the Valvoline Business Balance Sheet, and all Assets acquired after

the date of the Valvoline Business Balance Sheet that, had they been acquired on or before such date and owned as of such date, would have been reflected on the Valvoline Business Balance Sheet if prepared in accordance with GAAP applied on a consistent basis, subject to any dispositions of such Assets subsequent to the date of the Valvoline Business Balance Sheet;

(d) the Assets listed or described on Schedule IV;

(e) the rights related to the Valvoline Portion of any Shared Contract;

(f) all other Assets that are expressly provided by this Agreement or any Ancillary Agreement as Assets to be assigned to or retained by, or allocated to, any member of the Valvoline Group; and

(g) all Assets held by a member of the Ashland Global Group that are determined by Ashland Global, in good faith, to be primarily related to or used or held for use primarily in connection with the business or operations of the Valvoline Business.

Notwithstanding the foregoing, the Valvoline Assets shall not include (i) any Ashland Global Retained Assets, (ii) any Assets governed by the TMA, (iii) the rights related to the Ashland Global Portion of Shared Contracts, (iv) any Assets determined by Ashland Global, in good faith, to arise primarily from the business or operations of the Ashland Global Business (unless otherwise expressly provided in this Agreement) and (v) Assets required by Ashland Global to perform its obligations under the TSA.

"Valvoline Bond Issuance" means the issuance by Valvoline Finco Two LLC of $375,000,000 aggregate principal amount of 5.5% senior notes due 2024.

"Valvoline Business" means the businesses and operations of Valvoline and its Subsidiaries as described in the IPO Registration Statement.

"Valvoline Business Balance Sheet" means the balance sheet of the Valvoline Business, including the notes thereto, as of June 30, 2016, included in the IPO Registration Statement.

" Valvoline Common Stock" means the common stock, $0.01 par value per share, of Valvoline.

"Valvoline Entities" means the entities, the equity, partnership, membership, joint venture or similar interests of which are set forth on Schedule III under the caption "Joint Ventures and Minority Investments".

"Valvoline Environmental Liabilities" means, without duplication, the following Environmental Liabilities:

(a) all Environmental Liabilities, known or unknown, and whether arising or relating to events, conduct or conditions occurring prior to, on or after the Separation Date, to the extent such Liability arises from or relates to:

(i) the Valvoline Assets;

(ii) the operation or conduct of the Valvoline Business (or any other business conducted by Valvoline or any other member of the Valvoline Group or the Valvoline Entities at any time after the Separation) or any member of the Valvoline Group (or any of their respective predecessors in interest) or the Valvoline Entities;

(iii) any Asset that was formerly owned, leased or operated in connection with the

Valvoline Business or by any member of the Valvoline Group (or any of their respective predecessors in interest) or the Valvoline Entities;

(iv) the operation or conduct of any business or operation that was discontinued, divested or terminated (in whole or in part) from or in connection with the Valvoline Business or by any member of the Valvoline Group (or any of their respective predecessors in interest) or the Valvoline Entities;

(v) any Release of Hazardous Material, including any off-site migration of any Hazardous Material prior to, on or after the Separation Date, at, under, to or from any Off-Site Location, to the extent such Liability arises from or relates to the operation or conduct of the Valvoline Business or to any member of the Valvoline Group (or any of their respective predecessors in interest) or the Valvoline Entities, and any Action or Third-Party Claim related thereto, whether or not a notice of potential responsibility, notice of claim or other communication has been received by any Person as of the Separation Date; or

(vi) any real property currently or formerly operated by any member of the Valvoline Group (or any of their respective predecessors in interest) or the Valvoline Entities as a Valvoline Instant Oil Change site or facility, notwithstanding the fact that any such real property may also have been operated as a Speedway Super America or Ashland Branded Materials site or facility, the Environmental Liabilities for which would, but for this subsection (vi), otherwise be considered Ashland Global Environmental Liabilities;

(b) Valvoline's proportionate share of any Shared Environmental Remediation Liabilities, as further set forth in the SERLA; and

(c) all Environmental Liabilities arising out of or relating to compliance with any property transfer laws applicable to any of the Valvoline Assets as the result of or in connection with the Separation.

A list of currently known Valvoline Environmental Liabilities that fall within this subsection (a) of this definition of "Valvoline Environmental Liabilities" is set forth on Schedule IX;

Notwithstanding the foregoing, for purposes of the definition of "Valvoline Environmental Liabilities", the terms "member of the Valvoline Group" or "predecessor in interest" shall include Ashland LLC (or any Person that was a Subsidiary of Ashland LLC before giving effect to the Separation) on behalf of, or in connection with, the ownership or operation of the Valvoline Business or any discontinued, divested or terminated businesses or operations of the Valvoline Business, the Valvoline Group or the Valvoline Entities.

"Valvoline Group" means (a) Valvoline, (b) the entities set forth on Schedule III under the caption "Subsidiaries", and (c) each Person that becomes a Subsidiary of Valvoline after the Separation, including in each case any Person that is merged or consolidated with and into Valvoline or any Subsidiary of Valvoline.

"Valvoline Indemnitees" has the meaning set forth in Section 6.03.

"Valvoline IP" means the Intellectual Property included in the Valvoline Assets.

"Valvoline Insurance Policies" has the meaning set forth in Section 8.01(a).

"Valvoline Legacy Claims" means:

(a) all Legacy Claims associated with the Valvoline Business or any terminated,

divested or discontinued businesses or operations of the Valvoline Business, wherever arising, including any Legacy Claim brought by any individual who provided substantially all of his or her services to any such business at the time of the events or circumstances giving rise to such Legacy Claim;

(b) all Legacy Claims asserted by any individual who was, at any time during the period between August 1, 2016 and the Separation Date, an employee of the Valvoline Group or any Valvoline Entity or expected to become an employee of the Valvoline Group or any Valvoline Entity in connection with the Initial Public Offering, wherever arising;

(c) any Legacy Claims asserted in any jurisdiction within the United States by any individual who was an Ashland Corporate Employee at any time prior to, but not including,
August 1, 2016; or

(d) any Legacy Claims asserted in any jurisdiction within the United States and associated with any terminated, divested or discontinued businesses or operations of the Ashland Global Group (other than the Valvoline Business and any terminated, divested or discontinued businesses or operations of the Valvoline Business), including any Legacy Claim brought by any individual who provided substantially all of his or her services to any such business at the time of the events or circumstances giving rise to such Legacy Claim.

"Valvoline Liabilities" means, without duplication, the following Liabilities:

(a) all Liabilities of the Valvoline Group and the Valvoline Entities;

(b) all Liabilities to the extent relating to, arising out of or resulting from:

(i) the operation or conduct of the Valvoline Business as conducted at any time prior to the Separation (including any Liability to the extent relating to, arising out of or resulting from any act or failure to act by any director, officer, employee, agent or representative (whether or not such act or failure to act is or was within such Person's authority), which act or failure to act relates to the Valvoline Business);

(ii) the operation or conduct of the Valvoline Business or any other business conducted by Valvoline or any other member of the Valvoline Group at any time after the Separation (including any Liability relating to, arising out of or resulting from any act or failure to act by any director, officer, employee, agent or representative (whether or not such act or failure to act is or was within such Person's authority));

(iii) any terminated, divested or discontinued businesses or operations of the Valvoline Group; or

(iv) the Valvoline Assets;

(c) all Liabilities reflected as liabilities or obligations on the Valvoline Business Balance Sheet, and all Liabilities arising or assumed after the date of the Valvoline Business Balance Sheet that, had they arisen or been assumed on or before such date and been existing obligations as of such date, would have been reflected on the Valvoline Business Balance Sheet if prepared in accordance with GAAP applied on a consistent basis, subject to any discharge of such Liabilities subsequent to the date of the Valvoline Business Balance Sheet;

(d) the Liabilities listed or described on Schedule V;

(e) the obligations related to the Valvoline Portion of any Shared Contract;

(f) all other Liabilities that are expressly provided by this Agreement or any Ancillary Agreement (except the TMA) as Liabilities to be assumed or retained by, or allocated to, any member of the Valvoline Group;

(g) all Valvoline Environmental Liabilities;

(h) all Liabilities to the extent relating to, arising out of or resulting from any untrue statement or alleged untrue statement of a material fact or omission or alleged omission to state a material fact required to be stated therein or necessary to make the statements therein not misleading, with respect to all information contained in, or incorporated by reference into, (i) the IPO Registration Statement and any other documents filed with the Commission in connection with the Initial Public Offering or as contemplated by this Agreement or (ii) the Valvoline Offering Memorandum and any other documents delivered to the initial purchasers in connection with the Valvoline Bond Issuance, in each case other than with respect to the Ashland Global Disclosure Sections;

(i) all Valvoline Asbestos Liabilities; and

(j) all Valvoline Legacy Claims.

Notwithstanding the foregoing, the Valvoline Liabilities shall not include (i) any Ashland Global Retained Liabilities, (ii) any Liabilities governed by the TMA, (iii) any obligations related to the Ashland Global Portion of any Shared Contract, (iv) Ashland Global Asbestos Legacy Liabilities or (v) any Liabilities determined by Ashland Global, in good faith, to be primarily related to the business or operations of the Ashland Global Business (unless otherwise expressly provided in this Agreement).

"Valvoline Non-Voting Stock" means any class or series of Valvoline's capital stock, and any warrant, option or right in such stock, other than Valvoline Voting Stock.

"Valvoline Offering Memorandum" means the offering memordam delivered to the initial purchasers in connection with the Valvoline Bond Issuance, together with any preliminary offering memoranda or supplemental or amended offering memoranda related to thereto.

"Valvoline Portion" has the meaning set forth in Section 2.04.

"Valvoline Voting Stock" means all classes of the then outstanding capital stock of Valvoline entitled to vote generally with respect to the election of directors.

ARTICLE II

The Separation

SECTION 2.01. Transfer of Assets and Assumption of Liabilities. (a) Prior to the Initial Public Offering, and subject to Section 2.01(d), the Parties shall cause, or shall have caused, the Internal Transactions to be completed.

(b) Subject to Section 2.01(d), prior to the Separation Date, the Parties shall, and shall cause their respective Group members to, execute such Conveyancing and Assumption Instruments and take such other corporate actions as are necessary to (i) transfer and convey to one or more members of the Valvoline Group all of the right, title and interest of the Ashland Global Group in, to and under all Valvoline Assets not already owned by the Valvoline Group, (ii) transfer and convey to one or more members of the Ashland Global Group all

of the right, title and interest of the Valvoline Group in, to and under all Ashland Global Assets not already owned by the Ashland Global Group, (iii) cause one or more members of the Valvoline Group to assume all of the Valvoline Liabilities to the extent such Liabilities would otherwise remain obligations of any member of the Ashland Global Group and (iv) cause one or more members of the Ashland Global Group to assume all of the Ashland Global Liabilities to the extent such Liabilities would otherwise remain obligations of any member of the Valvoline Group. In furtherance of the foregoing, the Parties shall use reasonable best efforts to obtain or submit any necessary Governmental Approvals or other Consents for the transfer, conveyance, acceptance or assumption (as applicable) of all Assets and Liabilities required by this Agreement to be so transferred, conveyed, accepted or assumed including, to the extent applicable, the substitution of Valvoline or a Person or Persons in the Valvoline Group for Ashland Global or a Person or Persons in the Ashland Global Group in connection with any order, decree, ruling, judgment, agreement or Action pending or in effect as of the Separation Date with respect to any Valvoline Liabilities or the substitution of Ashland Global or a Person or Persons in the Ashland Global Group for Valvoline or a Person or Persons in the Valvoline Group in connection with any order, decree, ruling, judgment, agreement or Action pending or in effect as of the Separation Date with respect to any Ashland Global Liabilities. Notwithstanding anything to the contrary, neither Party shall be required to transfer any Information except as required by Article VII.

(c) In the event that it is discovered any time after the Separation that there was an omission of (i) the transfer or conveyance by Valvoline (or a member of the Valvoline Group) or the acceptance or assumption by Ashland Global (or a member of the Ashland Global Group) of any Ashland Global Asset or Ashland Global Liability, as the case may be, (ii) the transfer or conveyance by Ashland Global (or a member of the Ashland Global Group) or the acceptance or assumption by Valvoline (or a member of the Valvoline Group) of any Valvoline Asset or Valvoline Liability, as the case may be, or (iii) the transfer or conveyance by one Party (or any other member of its Group) to, or the acceptance or assumption by, the other Party (or any other member of its Group) of any Asset or Liability, as the case may be, that, had the Parties given specific consideration to, or otherwise had accurate or complete knowledge regarding the use, nature or basis of, such Asset or Liability (including, for the avoidance of doubt, any Asbestos Liability, Legacy Claim or Environmental Liability) prior to the Separation, would have otherwise been so transferred, conveyed, accepted or assumed, as the case may be, pursuant to this Agreement or the Ancillary Agreements, the Parties shall use reasonable best efforts to promptly effect such transfer, conveyance, acceptance or assumption of such Asset or Liability. The Party to whom or by whom the Asset or Liability is transferred or conveyed, or accepted or assumed, shall reimburse the other Party for any costs directly related to retaining or maintaining such Asset, or managing or defending such Liability, promptly after receiving a request therefor. Any transfer, conveyance, acceptance or assumption made pursuant to this Section 2.01(c) shall be treated by the Parties for all purposes as if it had occurred immediately prior to the Ashland LLC Contribution, except as otherwise required by applicable Law or a Determination. The obligations of the Parties under this Section 2.01(c) shall terminate on the 25th anniversary of the Separation Date.

(d) In the event that it is discovered any time after the Separation that there was a transfer or conveyance (i) by Valvoline (or a member of the Valvoline Group) to, or the acceptance or assumption by, Ashland Global (or a member of the Ashland Global Group) of any Valvoline Asset or Valvoline Liability, as the case may be, or (ii) by Ashland Global (or a member of the Ashland Global Group) to, or the acceptance or assumption by, Valvoline (or a member of the Valvoline Group) of any Ashland Global Asset or Ashland Global Liability, as the case may be, the Parties shall use reasonable best efforts to promptly transfer or convey such Asset or Liability back to the transferring or conveying Party or to rescind any acceptance or assumption of such Asset or Liability, as the case may be. The Party to whom or by whom the Asset or Liability is transferred or conveyed, or accepted or assumed, shall reimburse the other Party for any costs directly related to retaining or maintaining such Asset, or managing or defending such Liability, promptly after receiving a request therefor. Any transfer or conveyance made or acceptance or assumption rescinded pursuant to this Section 2.01(d) shall be treated by the Parties for all purposes as if such Asset or Liability had never been originally transferred, conveyed, accepted or assumed, as the case may be, except as otherwise required by applicable Law or a Determination. The obligations of the Parties under this Section 2.01(d) shall terminate on the 25th anniversary of the Separation Date.

(e) To the extent that any transfer or conveyance of any Asset or acceptance or assumption of any Liability required by this Agreement to be so transferred, conveyed, accepted or assumed shall not have been completed prior to the Separation, the Parties shall use reasonable best efforts to effect such transfer, conveyance, acceptance or assumption as promptly following the Separation as shall be practicable. Nothing in this Agreement shall be deemed to require the transfer or conveyance of any Assets or the acceptance or assumption of any Liabilities which by their terms or operation of Law cannot be so transferred, conveyed, accepted or assumed; provided , however , that the Parties shall use reasonable best efforts to obtain any necessary Governmental Approvals or other Consents for the transfer, conveyance, acceptance or assumption (as applicable) of all Assets and Liabilities required by this Agreement to be so transferred, conveyed, accepted or assumed. In the event that any such transfer, conveyance, acceptance or assumption (as applicable) has not been completed effective as of and after the Separation, the Party retaining such Asset or Liability shall thereafter hold such Asset for the use and benefit of the Party entitled thereto (at the expense of the Party entitled thereto, who shall reimburse the other Party for any costs directly related to retaining such Asset or Liability promptly after receiving a request therefor) and retain such Liability for the account, and at the expense, of the Party by whom such Liability should have been assumed or accepted pursuant to this Agreement, and take such other actions as may be required by Law, including the terms and conditions of any applicable order, decree, ruling judgment, agreement or Action pending or in effect as of the Separation Date with respect to such Asset or Liability, or otherwise reasonably requested by the Party to which such Asset should have been transferred or conveyed, or by whom such Liability should have been assumed or accepted, as the case may be, in order to place both Parties, insofar as reasonably possible, in the same position as would have existed had such Asset or Liability been transferred, conveyed, accepted or assumed (as applicable) as contemplated by this Agreement, including possession, use, risk of loss, potential for gain and control over such Asset or Liability. As and when any such Asset or Liability becomes transferable, the Parties shall use reasonable best efforts to promptly effect such transfer, conveyance, acceptance or assumption (as applicable). Any transfer, conveyance, acceptance or assumption made pursuant to this Section 2.01(e) shall be treated by the Parties for all purposes as if it had occurred immediately prior to the Ashland LLC Contribution, except as otherwise required by applicable Law or a Determination.

(f) The Party retaining any Asset or Liability due to the deferral of the transfer and conveyance of such Asset or the deferral of the acceptance and assumption of such Liability pursuant to this Section 2.01 or otherwise shall not be obligated by this Agreement, in connection with this Section 2.01, to expend any money or take any action that would require the expenditure of money unless and to the extent the Party entitled to such Asset or the Party intended to assume such Liability advances or agrees to reimburse it for the applicable expenditures.

SECTION 2.02. Certain Matters Governed Exclusively by Ancillary Agreements. Each of Ashland Global and Valvoline agrees on behalf of itself and the members of its Group that, except as explicitly provided in this Agreement or any Ancillary Agreement, (a) the TMA shall exclusively govern all matters relating to taxes between such parties (except to the extent that tax matters are expressly addressed in any other Ancillary Agreement), (b) the EMA shall exclusively govern the allocation of Assets and Liabilities related to employee and employee benefits-related matters, including (x) arrangements with certain non-employee service providers to the extent specified in Section 2.06 of the EMA and (y) the existing equity plans with respect to employees and former employees of members of both the Ashland Global Group and the Valvoline Group (it being understood that (i) any such Assets and Liabilities, as allocated pursuant to the EMA, shall constitute Valvoline Assets, Valvoline Liabilities, Ashland Global Assets or Ashland Global Liabilities, as applicable, hereunder and shall be subject to Article VI hereof and (ii) all matters arising on or prior to the Separation Date that relate to workers' compensation and other claims alleging injury or illness as a result of employment shall be governed by this Agreement), (c) the TSA and RTSA shall exclusively govern all matters relating to the provision of certain services identified therein to be provided by each Party to the other on a transitional basis following the Separation, (d) the IPA shall exclusively govern all matters relating to the assignment, transfer and licensing of Intellectual Property and (e) the SERLA shall exclusively govern matters relating to the identification and allocation, as well as the defense, management, control, resolution and funding after the Separation Date, of Liabilities determined in accordance with the provisions of this Agreement and/or the

SERLA to be Shared Environmental Remediation Liabilities (it being understood that any such Shared Environmental Remediation Liability subject to the SERLA shall nonetheless constitute a Valvoline Environmental Liability or a Ashland Global Environmental Liability, as applicable, hereunder and shall be subject to Article VI hereof except in the case of conflict between those provisions and the provisions of the SERLA).

SECTION 2.03. Termination of Intercompany Agreements and Intercompany Accounts. (a) Except as set forth in Section 2.03(c) or as otherwise provided by the steps constituting the Internal Transactions and the Additional Pre-IPO Restructuring Transactions, in furtherance of the releases and other provisions of Section 6.01, effective immediately prior to the Ashland LLC Contribution, Valvoline and each other member of the Valvoline Group, on the one hand, and Ashland Global and each other member of the Ashland Global Group, on the other hand, hereby terminate any and all agreements, arrangements, commitments and understandings, oral or written ("Intercompany Agreements "), including all intercompany accounts payable or accounts receivable ("Intercom pany Accounts "), between such parties and in effect or accrued as of the Ashland LLC Contribution. No such terminated Intercompany Agreement or Intercompany Account (including any provision thereof that purports to survive termination) shall be of any further force or effect after the date of the Ashland LLC Contribution. Each Party shall, at the reasonable request of the other Party, take, or cause to be taken, such other actions as may be necessary to effect the foregoing. The Parties, on behalf of the members of their respective Groups, hereby waive any advance notice provision or other termination requirements with respect to any Intercompany Agreement.

(b) In connection with the termination of Intercompany Accounts described in Section 2.03(a), each of Ashland Global and Valvoline shall cause each Intercompany Account between a member of the Valvoline Group, on the one hand, and a member of the Ashland Global Group, on the other hand, outstanding as of the close of business on the business day immediately prior to the date of the Ashland LLC Contribution to be settled on a net basis (whether via a dividend, a capital contribution, a combination of the foregoing or as otherwise agreed), in each case prior to the close of business on the business day immediately prior to the date of the Ashland LLC Contribution. If after giving effect to such settlements and the Internal Transactions, the Additional Pre-IPO Restructuring Transactions and the Initial Public Offering, the net amount of Cash held by the Valvoline Group as of the time of the Separation would not equal $50,000,000, the foregoing settlement shall be adjusted, or Ashland Global and Valvoline shall otherwise agree on a method of Cash transfer on the Separation Date, such that the amount of Cash held by the Valvoline Group immediately following the Separation shall equal such amount.

(c) The provisions of Section 2.03(a) shall not apply to any of the following Intercompany Agreements or Intercompany Accounts (or to any of the provisions thereof):
(i) this Agreement and the Ancillary Agreements (and each other Intercompany Agreement or Intercompany Account expressly contemplated by this Agreement or any Ancillary Agreement to be entered into by either Party or any other member of its Group); (ii) any existing written Intercompany Agreement between a member of the Valvoline Group, on the one hand, and a member of the Ashland Global Group, on the other hand, that has been entered into in the ordinary course of business on an arm's-length basis for the provision of services or other commercial arrangement, including outstanding operational intercompany trade receivables or payables incurred on such basis and (iii) any other Intercompany Agreements or Intercompany Accounts set forth on Schedule VIII.

(d) Each of Ashland Global and Valvoline shall, and shall cause their respective Subsidiaries to, take all necessary actions to remove each of Valvoline and Valvoline's Subsidiaries from all Cash Management Arrangements to which it is a party, in each case prior to the close of business on the business day immediately prior to the Separation Date.

SECTION 2.04. Shared Contracts . The Parties shall, and shall cause the members of their respective Groups to, use their respective reasonable best efforts to work together (and, if necessary and desirable, to work with the third party to such Shared Contract) in an effort to divide, partially assign, modify and/or replicate (in whole or in part) the respective rights and obligations under and in respect of any Shared Contract, such that (a) a member of the Valvoline Group is the beneficiary of the rights and is responsible for the obligations related to that portion of such Shared Contract relating to the Valvoline Business (the "Valvoline Portion "), which rights shall be a Valvoline Asset and which obligations shall be a Valvoline Liability and (a) a member of the Ashland Global Group is the beneficiary of the rights and is responsible for the obligations related to such Shared Contract not relating to the Valvoline Business (the "Ashland Global Portion "), which rights shall be a Ashland Global Asset and which obligations shall be a Ashland Global Liability. If the Parties, or their respective Group members, as applicable, are not able to enter into an arrangement to formally divide, partially assign, modify and/or replicate such Shared Contract prior to the Separation as contemplated by the previous sentence, then the Parties shall, and shall cause their respective Group members to, cooperate in any lawful arrangement to provide that, following the Separation and until the earlier of five years after the Separation Date and such time as the formal division, partial assignment, modification and/or replication of such Shared Contract as contemplated by the previous sentence is effected, a member of the Valvoline Group shall receive the interest in the benefits and obligations of the Valvoline Portion under such Shared Contract and a member of the Ashland Global Group shall receive the interest in the benefits and obligations of the Ashland Global Portion under such Shared Contract.

SECTION 2.05. Disclaimer of Representations and Warranties. Each of Ashland Global (on behalf of itself and each other member of the Ashland Global Group) and Valvoline (on behalf of itself and each other member of the Valvoline Group) understands and agrees that, except as expressly set forth in this Agreement, any Ancillary Agreement or the Representation Letters, no Party to this Agreement, any Ancillary Agreement or any other agreement or document contemplated by this Agreement or any Ancillary Agreement is representing or warranting in any way as to any Assets or Liabilities transferred or assumed as contemplated hereby or thereby, as to the sufficiency of the Assets or Liabilities transferred or assumed hereby or thereby for the conduct and operations of the Valvoline Business or the Ashland Global Business, as applicable, as to any Governmental Approvals or other Consents required in connection therewith or in connection with any past transfers of the Assets or assumptions of the Liabilities, as to the value or freedom from any Security Interests of, or any other matter concerning, any Assets or Liabilities of such party, or as to the absence of any defenses or rights of setoff or freedom from counterclaim with respect to any claim or other Asset, including any accounts receivable, of any such Party, or as to the legal sufficiency of any assignment, document or instrument delivered hereunder to convey title to any Asset or thing of value upon the execution, delivery and filing hereof or thereof. Except as may expressly be set forth herein, any such Assets are being transferred on an "as is," "where is" basis and the respective transferees shall bear the economic and legal risks that (a) any conveyance shall prove to be insufficient to vest in the transferee good and marketable title, free and clear of any Security Interest, and (b) any necessary Governmental Approvals or other Consents are not obtained or that any requirements of Laws or judgments are not complied with.

SECTION 2.06. Conveyancing and Assumption Instruments. In connection with, and in furtherance of, the transfers of Assets and the acceptance and assumptions of Liabilities contemplated by this Agreement, the Parties shall execute and deliver to each other or cause to be executed and delivered, on or after the date hereof by the appropriate entities, any Conveyancing and Assumption Instruments necessary to evidence the valid and effective assumption by the applicable Party of its assumed Liabilities and the valid transfer to the applicable Party or member of such Party's Group of all right, title and interest in and to its accepted Assets for transfers and assumptions to be effected pursuant to New York Law or the Laws of one of the other states of the United States or, if not appropriate for a given transfer or assumption, pursuant to applicable non-U.S. Laws, in such form as Ashland Global determines in good faith and are not inconsistent with the express requirements of this Agreement, including the transfer of real property with deeds as may be appropriate and in form and substance as may be required by the jurisdiction in which the real property is located. Except as determined by Ashland Global in good faith (such determination not to be inconsistent with the express requirements of this Agreement), the Conveyancing and Assumption Instruments shall not contain any representations or warranties

or indemnities, shall not conflict with this Agreement and, to the extent that any provision of a Conveyancing and Assumption Instrument does conflict with any provision of this Agreement, this Agreement shall govern and control unless specifically stated otherwise in such Conveyancing and Assumption Instrument. The transfer of capital stock shall be effected by means of executed stock powers and notation on the stock record books of the corporation or other legal entities involved, or by such other means as may be required in any non-U.S. jurisdiction to transfer title to stock and, only to the extent required by applicable Law, by notation on public registries.

ARTICLE III

Credit Support

SECTION 3.01. Replacement of Credit Support. (a) Valvoline shall use reasonable best efforts to arrange, at its sole cost and expense and effective on or prior to the Separation Date, the replacement of all guarantees, covenants, indemnities, surety bonds, letters of credit or similar assurances or credit support ("Credit Support Instruments ") provided by or through Ashland Global or any other member of the Ashland Global Group for the benefit of Valvoline or any other member of the Valvoline Group ("Ashland Global Credit Support Instruments ") with alternate arrangements that do not require any credit support from Ashland Global or any other member of the Ashland Global Group, and shall use reasonable best efforts to obtain from the beneficiaries of such Credit Support Instruments written releases (which (i) in the case of a letter of credit or bank guarantee would be effective upon surrender of the original Ashland Global Credit Support Instrument to the originating bank and such bank's confirmation to Ashland Global of cancelation thereof and (ii) shall expressly release any collateral in respect of such Credit Support Instrument) indicating that Ashland Global or such other member of the Ashland Global Group will, effective upon the consummation of the Separation, have no liability with respect to such Credit Support Instruments, in each case reasonably satisfactory to Ashland Global.

(b) Ashland Global shall use reasonable best efforts to arrange, at its sole cost and expense and effective on or prior to the Separation Date, the replacement of all Credit Support Instruments provided by or through Valvoline or any other member of the Valvoline Group for the benefit of Ashland Global or any other member of the Ashland Global Group with alternate arrangements that do not require any credit support from Valvoline or any other member of the Valvoline Group, and shall use reasonable best efforts to obtain from the beneficiaries of such Credit Support Instruments written releases (which (i) in the case of a letter of credit or bank guarantee would be effective upon surrender of the original Valvoline Credit Support Instrument to the originating bank and such bank's confirmation to Valvoline of cancelation thereof and (ii) shall expressly release any collateral in respect of such Credit Support Instrument) indicating that Valvoline or such other member of the Valvoline Group will, effective upon the consummation of the Separation, have no liability with respect to such Credit Support Instruments, in each case reasonably satisfactory to Valvoline.

(c) Ashland Global and Valvoline shall provide each other with written notice of the existence of all Credit Support Instruments within a reasonable period prior to the Separation.

ARTICLE IV

Actions Pending the Separation

SECTION 4.01. Actions Prior to the Separation. Subject to the conditions specified in Section 4.02 and subject to Section 4.04., Ashland Global and Valvoline shall use reasonable best efforts to consummate the Separation. Such efforts shall include taking the actions specified in this Section 4.01.

(a) Valvoline shall prepare, file with the Commission and use its reasonable best efforts to cause to become effective the IPO Registration Statement and any registration statements or amendments thereto required to effect the establishment of, or amendments to, any employee benefit and other plans necessary or

appropriate in connection with the transactions contemplated by this Agreement or any of the Ancillary Agreements.

(b) Ashland Global and Valvoline shall take all such action as may be necessary or appropriate under the securities or blue sky laws of the states or other political subdivisions of the United States or of other foreign jurisdictions in connection with the Initial Public Offering.

(c) Valvoline shall prepare and file, and shall use reasonable best efforts to have approved prior to the Initial Public Offering, an application for the listing of the Valvoline Common Stock to be offered and sold in the Initial Public Offering on the Exchange.

(d) Prior to the Separation, Ashland Global shall have duly elected the individuals listed as members of the Valvoline board of directors in the IPO Registration Statement, and such individuals shall be the members of the Valvoline board of directors effective as of immediately after the Separation.

(e) Immediately prior to the Separation, the Amended and Restated Certificate of Incorporation and the Amended and Restated By-laws of Valvoline, each in substantially the form filed as an exhibit to the IPO Registration Statement, shall be in effect.

(f) Ashland Global and Valvoline shall, subject to Section 4.04., take all reasonable steps necessary and appropriate to complete the Additional Pre-IPO Restructuring Transactions.

(g) Ashland Global and Valvoline shall, subject to Section 4.04, take all reasonable steps necessary and appropriate to cause the conditions set forth in Section 4.02 to be satisfied and to effect the Separation on the Separation Date.

SECTION 4.02. Conditions Precedent to Consummation of the Separation. Subject to Section 4.04., as soon as practicable after the execution of this Agreement, the Parties shall use reasonable best efforts to satisfy the following conditions prior to the consummation of the Separation (to the extent not already satisfied). The obligations of the Parties to consummate the Separation shall be conditioned on the satisfaction, or waiver by Ashland Global, of the following conditions:

(a) The board of directors of Ashland Global shall have authorized and approved the Internal Transactions and Separation and not withdrawn such authorization and approval.

(b) Each Ancillary Agreement shall have been executed by each party to such agreement.

(c) The Commission shall have declared effective the IPO Registration Statement, no stop order suspending the effectiveness of the IPO Registration Statement shall be in effect and no proceedings for that purpose shall be pending before or threatened by the Commission.

(d) The Valvoline Common Stock shall have been accepted for listing on the Exchange or another national securities exchange approved by Ashland Global, subject to official notice of issuance.

(e) The Internal Transactions and the Additional Pre-IPO Restructuring Transactions shall have been completed.

(f) Ashland Global shall have received legal opinions from Cravath, Swaine & Moore LLP as to certain agreed-upon matters in respect of the Internal Transactions (including certain Ashland Global Tax Opinions).

(g) No order, injunction or decree issued by any Governmental Authority of competent jurisdiction or other legal restraint or prohibition preventing the consummation of the Separation or the Initial Public Offering shall be in effect, and no other event shall have occurred or failed to occur that prevents the consummation of the Separation or the Initial Public Offering.

(h) No other events or developments shall have occurred prior to the Separation that, in the judgment of the board of directors of Ashland Global, would result in the Separation or the Initial Public Offering having a material adverse effect on Ashland Global or the shareholders of Ashland Global.

(i) The actions set forth in Sections 4.01(d) and 4.01(e) shall have been completed.

The foregoing conditions are for the sole benefit of Ashland Global and shall not give rise to or create any duty on the part of Ashland Global or the Ashland Global board of directors to waive or not waive such conditions or in any way limit the right of Ashland Global to terminate this Agreement as set forth in Article XI or alter the consequences of any such termination from those specified in such Article XI. Any determination made by the Ashland Global board of directors prior to the Separation concerning the satisfaction or waiver of any or all of the conditions set forth in this Section 4.02 shall be conclusive.

SECTION 4.03. Separation Date. Subject to the terms and conditions of this Agreement, the Separation shall be consummated at a closing to be held at the offices of Cravath, Swaine & Moore LLP, 825 Eighth Avenue, New York, NY 10019 on the date on which the Initial Public Offering closes or at such other place or on such other date as Ashland Global and Valvoline may mutually agree upon in writing (the day on which such closing takes place being the "Separation Date").

SECTION 4.04. Sole Discretion of Ashland Global. Ashland Global shall, in its sole and absolute discretion, determine all terms of the Separation, including the form, structure and terms of any transactions and/or offerings to effect the Separation (so long as any such determinations are made in good faith and are not inconsistent with the express terms of this Agreement) and the timing of and conditions to the consummation thereof. In addition and notwithstanding anything to the contrary set forth below, Ashland Global may at any time and from time to time until the Separation decide to delay or abandon the Separation, including by accelerating or delaying the timing of the consummation of all or part of the Separation.

ARTICLE V

The IPO; Distribution

SECTION 5.01. The Initial Public Offering. Valvoline shall consult with, and cooperate in all respects with and take all actions reasonably requested by Ashland Global in connection with the Initial Public Offering.

SECTION 5.02. The Distribution or Other Disposition. (a) Subject to applicable Law, Ashland Global shall, in its sole and absolute discretion, determine (i) whether and when to proceed with all or part of the Distribution or Other Disposition and (ii) all terms of the Distribution or Other Disposition, as applicable, including the form, structure and terms of any transaction(s) and/or offering(s) to effect the Distribution or Other Disposition and the timing of and conditions to the consummation of the Distribution or Other Disposition. In addition, in the event that Ashland Global determines to proceed with the Distribution or Other Disposition, Ashland Global may, subject to applicable Law, at any time and from time to time until the completion of the Distribution or Other Disposition abandon, modify or change any or all of the terms of the Distribution or Other Disposition, including, by accelerating or delaying the timing of the consummation of all or part of the Distribution or Other Disposition.

(b) Valvoline shall cooperate with Ashland Global and any member of the Ashland Global Group in all respects to accomplish the Distribution or Other Disposition and shall, at Ashland Global's

direction, promptly take any and all actions necessary or desirable to effect the Distribution or Other Disposition, including, the registration under the Securities Act of the offering of the Valvoline Common Stock on an appropriate registration form as reasonably designated by Ashland Global, the filing of any necessary documents pursuant to the Exchange Act and the filing of any necessary application or related documents with the Exchange in connection with listing the Valvoline Common Stock that is the subject of such Distribution or Other Disposition. Subject to applicable Law and contractual requirements among the Parties, Ashland Global shall select any investment bank, manager, underwriter or dealer manager in connection with the Distribution or Other Disposition, as well as any financial printer, solicitation and/or exchange agent and financial, legal, accounting, tax and other advisors and service providers in connection with the Distribution or Other Disposition, as applicable.

Ashland Global and Valvoline, as the case may be, will provide to the exchange agent, if any, all share certificates and any information required in order to complete the Distribution or Other Disposition.

(c) Notwithstanding anything to the contrary contained in this Agreement, the Registration Rights Agreement shall control the terms and conditions of any Other Disposition to the extent contemplated therein.

ARTICLE VI

Mutual Releases; Indemnification

SECTION 6.01. Release of Pre-Separation Claims. (a) Except as provided in Section 6.01(c) or elsewhere in this Agreement or the Ancillary Agreements, effective as of the Separation, Valvoline does hereby, for itself and each other member of the Valvoline Group, their respective Affiliates, and to the extent it may legally do so, successors and assigns and all Persons who at any time on or prior to the Separation have been shareholders, directors, officers, agents or employees of any member of the Valvoline Group (in each case, in their respective capacities as such), remise, release and forever discharge Ashland Global and the other members of the Ashland Global Group, their respective Affiliates, successors and assigns, and all Persons who at any time on or prior to the Separation have been shareholders, directors, officers, agents or employees of any member of the Ashland Global Group (in each case, in their respective capacities as such), and their respective heirs, executors, administrators, successors and assigns, from any and all Valvoline Liabilities whatsoever, whether at Law (including CERCLA and any other Environmental Law) or in equity (including any right of contribution or recovery), whether arising under any contract or agreement, by operation of Law or otherwise, existing or arising from any acts or events occurring or failing to occur or alleged to have occurred or to have failed to occur or any conditions existing or alleged to have existed on or before the Separation, including in connection with the Separation, the Initial Public Offering and any Distribution or Other Disposition and all other activities to implement any such transactions. This Section 6.01(a) shall not affect Ashland LLC's indemnification obligations with respect to Liabilities arising on or before the Separation Date under Article X of the Fourth Restated Articles of Incorporation of Ashland Inc. (or any equivalent provision in the limited liability company agreement of Ashland LLC), as in effect on the date on which the event or circumstances giving rise to such indemnification obligation occur.

(b) Except as provided in Section 6.01(c) or elsewhere in this Agreement or the Ancillary Agreements, effective as of the Separation, Ashland Global does hereby, for itself and each other member of the Ashland Global Group, their respective Affiliates, and to the extent it may legally do so, successors and assigns and all Persons who at any time on or prior to the Separation have been shareholders, directors, officers, agents or employees of any member of the Ashland Global Group (in each case, in their respective capacities as such), remise, release and forever discharge Valvoline, the other members of the Valvoline Group, their respective Affiliates, successors and assigns, and all Persons who at any time on or prior to the Separation have been shareholders, directors, officers, agents or employees of any member of the Valvoline Group (in each case, in their respective capacities as such), and their respective heirs, executors, administrators, successors and assigns, from any and all Ashland Global Liabilities whatsoever, whether at Law (including CERCLA and any other

Environmental Law) or in equity (including any right of contribution or recovery), whether arising under any contract or agreement, by operation of Law or otherwise, existing or arising from any acts or events occurring or failing to occur or alleged to have occurred or to have failed to occur or any conditions existing or alleged to have existed on or before the Separation, including in connection with the Separation, the Initial Public Offering and any Distribution or Other Disposition and all other activities to implement any such transactions.

(c) Nothing contained in Section 6.01(a) or (b) shall impair any right of any Person to enforce this Agreement, any Ancillary Agreement or any Intercompany Agreement or Intercompany Account that is specified in Section 2.03(c) not to terminate as of the Separation, in each case in accordance with its terms. Nothing contained in Section 6.01(a) or (b) shall release any Person from:

(i) any Liability provided in or resulting from any agreement among any members of the Ashland Global Group or the Valvoline Group that is specified in Section 2.03(c) as not to terminate as of the Separation, or any other Liability specified in such Section 2.03(c) as not to terminate as of the Separation;

(ii) any Liability, contingent or otherwise, assumed, transferred, assigned or allocated to the Group of which such Person is a member in accordance with, or any other Liability of any member of any Group under, this Agreement or any Ancillary Agreement;

(iii) any Liability provided in or resulting from any other agreement or understanding that is entered into after the Separation between one Party (and/or a member of such Party's Group), on the one hand, and the other Party (and/or a member of such Party's Group), on the other hand;

(iv) any Liability that the Parties may have with respect to indemnification or contribution pursuant to this Agreement or any Ancillary Agreement for claims brought against the Parties, the members of their respective Groups or any of their respective directors, officers, employees or agents, by third Persons, which Liability shall be governed by the provisions of this Article VI or, if applicable, the appropriate provisions of the relevant Ancillary Agreement; or

(v) any Liability the release of which would result in the release of any Person not otherwise intended to be released pursuant to this Section 6.01.

(d) Valvoline shall not make, and shall not permit any other member of the Valvoline Group to make, any claim or demand, or commence any Action asserting any claim or demand, including any claim of contribution or any indemnification, against Ashland Global or any other member of the Ashland Global Group, or any other Person released pursuant to Section 6.01(a), with respect to any Liabilities released pursuant to Section 6.01(a). Ashland Global shall not make, and shall not permit any other member of the Ashland Global Group to make, any claim or demand, or commence any Action asserting any claim or demand, including any claim of contribution or any indemnification against Valvoline or any other member of the Valvoline Group, or any other Person released pursuant to Section 6.01(b), with respect to any Liabilities released pursuant to Section 6.01(b).

(e) It is the intent of each of Ashland Global and Valvoline, by virtue of the provisions of this Section 6.01, to provide for a full and complete release and discharge of all Liabilities existing or arising from all acts and events occurring or failing to occur or alleged to have occurred or to have failed to occur and all conditions existing or alleged to have existed on or before the Separation Date, between or among Valvoline or any other member of the Valvoline Group, on the one hand, and Ashland Global or any other member of the Ashland Global Group, on the other hand (including any contractual agreements or arrangements existing or alleged to exist between or among any such members on or before the Separation Date), except as set forth in Section 6.01(c) or elsewhere in this Agreement or in any Ancillary Agreement. At any time, at the request of the

other Party, each Party shall cause each member of its respective Group to execute and deliver releases reflecting the provisions hereof.

SECTION 6.02. Indemnification by Valvoline. Subject to Section 6.04, Valvoline shall indemnify, defend and hold harmless Ashland Global, each other member of the Ashland Global Group and each of their respective former and current directors, officers and employees, and each of the heirs, executors, successors and assigns of any of the foregoing (collectively, the "Ashland Global Indemnitees"), from and against any and all Liabilities of the Ashland Global Indemnitees relating to, arising out of or resulting from any of the following items (without duplication):

(a) the Valvoline Liabilities, including the failure of Valvoline or any other member of the Valvoline Group or any other Person to pay, perform or otherwise promptly discharge any Valvoline Liability in accordance with its terms;

(b) any breach by Valvoline or any other member of the Valvoline Group of this Agreement or any Ancillary Agreement unless such Ancillary Agreement expressly provides for separate indemnification therein (which shall be controlling); and

(c) any breach by Valvoline of any of the representations and warranties made by Valvoline on behalf of itself and the members of the Valvoline Group in Section 12.01(c).

SECTION 6.03. Indemnification by Ashland Global. Subject to Section 6.04, Ashland Global shall indemnify, defend and hold harmless Valvoline, each other member of the Valvoline Group and each of their respective former and current directors, officers and employees, and each of the heirs, executors, successors and assigns of any of the foregoing (collectively, the "Valvoline Indemnitees"), from and against any and all Liabilities of the Valvoline Indemnitees relating to, arising out of or resulting from any of the following items (without duplication):

(a) the Ashland Global Liabilities, including the failure of Ashland Global or any other member of the Ashland Global Group or any other Person to pay, perform or otherwise promptly discharge any Ashland Global Liability in accordance with its terms;

(b) any breach by Ashland Global or any other member of the Ashland Global Group of this Agreement or any Ancillary Agreement unless such Ancillary Agreement expressly provides for separate indemnification therein (which shall be controlling); and

(c) any breach by Ashland Global of any of the representations and warranties made by Ashland Global on behalf of itself and the members of the Ashland Global Group in Section 12.01(c).

SECTION 6.04. Indemnification Obligations Net of Insurance Proceeds and Third-Party Proceeds. (a) The Parties intend that any Liability subject to indemnification or reimbursement pursuant to this Agreement will be net of (i) Insurance Proceeds that actually reduce the amount of, or are paid to the applicable Indemnitee in respect of, such Liability or (ii) other amounts recovered from any third party that actually reduce the amount of, or are paid to the applicable Indemnitee in respect of, such Liability ("Third-Party Proceeds"). Accordingly, the amount that either Party (an "Indemnifying Party") is required to pay to any Person entitled to indemnification or reimbursement pursuant to this Agreement (an "Indemnitee") will be reduced by any Insurance Proceeds or Third-Party Proceeds theretofore actually recovered by or on behalf of the Indemnitee from a third party in respect of the related Liability. If an Indemnitee receives a payment required by this Agreement from an Indemnifying Party in respect of any Liability (an "Indemnity Payment") and subsequently receives Insurance Proceeds or Third-Party Proceeds in respect of such Liability, then the Indemnitee will pay to the Indemnifying Party an amount equal to the excess of the Indemnity Payment received over the amount of the Indemnity Payment that would have been due if such Insurance Proceeds or Third- Party Proceeds had been received, realized or recovered before the Indemnity Payment was made.

(b) An insurer that would otherwise be obligated to pay any claim shall not be relieved of the responsibility with respect thereto or have any subrogation rights with respect thereto by virtue of the indemnification provision contained in this Agreement or any Ancillary Agreement, it being expressly understood and agreed that no insurer or any other third party shall be entitled to a "wind-fall" (i.e., a benefit they would not be entitled to receive, or the reduction or elimination of an insurance coverage provision obligation that they would otherwise have, in the absence of the indemnification provisions) by virtue of the indemnification provisions contained in this Agreement or any Ancillary Agreement. Each member of the Ashland Global Group and Valvoline Group shall use reasonable best efforts to seek to collect or recover, or allow the Indemnifying Party to collect or recover, or cooperate with each other in collecting or recovering, any Insurance Proceeds and any Third-Party Proceeds to which such Person is entitled in connection with any Liability for which such Person seeks indemnification pursuant to this Article VI; provided , however , that such Person's inability to collect or recover any such Insurance Proceeds or Third-Party Proceeds shall not limit the Indemnifying Party's obligations hereunder. Notwithstanding the foregoing, an Indemnifying Party may not delay making an indemnification payment required under the terms of this Agreement, or otherwise satisfying any indemnification obligation, pending the outcome of any Actions to collect or recover any Insurance Proceeds, and an Indemnitee need not attempt to collect any Insurance Proceeds prior to making a claim for indemnification or receiving any Indemnity Payment otherwise owed to it under this Agreement or any Ancillary Agreement.

(c) The calculation of any Indemnity Payments required by this Agreement shall be subject to Section 4.04 of the TMA.

SECTION 6.05. Procedures for Indemnification of Third-Party Claims. (a) If an Indemnitee shall receive notice or otherwise learn of a Third-Party Claim with respect to which an Indemnifying Party may be obligated to provide indemnification to such Indemnitee pursuant to this Agreement, such Indemnitee shall give such Indemnifying Party written notice thereof as soon as reasonably practicable, but no later than 30 calendar days after becoming aware of such Third-Party Claim. Any such notice shall describe the Third-Party Claim in reasonable detail. Notwithstanding the foregoing, the failure of any Indemnitee or other Person to give notice as provided in this Section 6.05(a) shall not relieve the related Indemnifying Party of its obligations under this Article VI, except to the extent that such Indemnifying Party is actually prejudiced by such failure to give notice.

(b) The Indemnifying Party shall have the right, exercisable by written notice to the Indemnitee within 30 calendar days after receipt of notice from an Indemnitee in accordance with Section 6.05(a) (or sooner, if the nature of such Third-Party Claim so requires), to assume and conduct the defense of such Third-Party Claim in accordance with the limits set forth in this Agreement with counsel selected by the Indemnifying Party and reasonably acceptable to the Indemnitee; provided , however , that (i) the defense of such Third-Party Claim by the Indemnifying Party will not, in the reasonable judgment of the Indemnitee, affect the Indemnitee or any of its controlled Affiliates in a materially adverse manner and (ii) the Third-Party Claim solely seeks (and continues to seek) monetary damages (the conditions set forth in this proviso, the " Litiga tion Condition ").

(c) If the Indemnifying Party elects not to assume the defense of a Third-Party Claim (or is not permitted to assume the defense of a Third-Party Claim as a result of the Litigation Condition not being met with respect thereto) in accordance with this Agreement, or fails to notify an Indemnitee of its election as provided in Section 6.05(b), such Indemnitee may defend such Third-Party Claim at the cost and expense of the Indemnifying Party.

(d) If the Indemnifying Party elects (and is permitted) to assume the defense of a Third-Party Claim in accordance with the terms of this Agreement, the Indemnitees shall, subject to the terms of this Agreement, cooperate with the Indemnifying Party with respect to the defense of such Third-Party Claim.

(e) If the Indemnifying Party elects (and is permitted) to assume the defense of a Third-Party Claim in accordance with the terms of this Agreement, the Indemnifying Party will not be liable for any additional legal expenses subsequently incurred by the Indemnitee in connection with the defense of the Third-Party Claim; provided , however , that if (i) the Litigation Condition ceases to be met or (ii) the Indemnifying Party fails to take reasonable steps necessary to defend diligently such Third-Party Claim, the Indemnitee may assume its own defense, and the Indemnifying Party will be liable for all reasonable costs or expenses paid or incurred in connection with such defense. The Indemnifying Party or the Indemnitee, as the case may be, shall have the right to participate in (but, subject to the prior sentence, not control), at its own expense, the defense of any Third-Party Claim that the other is defending as provided in this Agreement. In the event, however, that such Indemnitee reasonably determines that representation by counsel to the Indemnifying Party of both such Indemnifying Party and the Indemnitee could reasonably be expected to present such counsel with a conflict of interest, then the Indemnitee may employ separate counsel to represent or defend it in any such action or proceeding and the Indemnifying Party will pay the reasonable fees and expenses of such counsel.

(f) No Indemnifying Party shall consent to entry of any judgment or enter into any settlement of any Third-Party Claim without the consent of the applicable Indemnitee or Indemnitees; provided , however , that such Indemnitee(s) shall be required to consent to such entry of judgment or to such settlement that the Indemnifying Party may recommend if the judgment or settlement (i) contains no finding or admission of any violation of Law or any violation of the rights of any Person, (ii) involves only monetary relief which the Indemnifying Party has agreed to pay and (iii) includes a full and unconditional release of the Indemnitee. Notwithstanding the foregoing, in no event shall an Indemnitee be required to consent to any entry of judgment or settlement if the effect thereof is to permit any injunction, declaratory judgment, other order or other nonmonetary relief to be entered, directly or indirectly, against any Indemnitee.

(g) Whether or not the Indemnifying Party assumes the defense of a Third-Party Claim, no Indemnitee shall admit any liability with respect to, or settle, compromise or discharge, such Third-Party Claim without the Indemnifying Party's prior written consent (such consent not to be unreasonably withheld or delayed).

SECTION 6.06. Additional Matters. (a) Any claim on account of a Liability that does not result from a Third-Party Claim shall be asserted by written notice given by the Indemnitee to the related Indemnifying Party. Such Indemnifying Party shall have a period of 30 calendar days after the receipt of such notice within which to respond thereto. If such Indemnifying Party does not respond within such 30-day period, such Indemnifying Party shall be deemed to have refused to accept responsibility to make payment. If such Indemnifying Party does not respond within such 30-day period or rejects such claim in whole or in part, such Indemnitee shall be free to pursue such remedies as may be available to such Party as contemplated by this Agreement.

(b) In the event of payment by or on behalf of any Indemnifying Party to any Indemnitee in connection with any Third-Party Claim, such Indemnifying Party shall be subrogated to and shall stand in the place of such Indemnitee as to any events or circumstances in respect of which such Indemnitee may have any right, defense or claim relating to such Third- Party Claim against any claimant or plaintiff asserting such Third-Party Claim or against any other Person. Such Indemnitee shall cooperate with such Indemnifying Party in a reasonable manner, and at the cost and expense of such Indemnifying Party, in prosecuting any subrogated right, defense or claim.

(c) In the event of an Action relating to a Liability that has been allocated to an Indemnifying Party pursuant to the terms of this Agreement or any Ancillary Agreement in which the Indemnifying Party is not a named defendant, if the Indemnifying Party shall so request, the Parties shall endeavor to substitute the Indemnifying Party for the named defendant or add the Indemnifying Party as an additional named defendant, if at all practicable. If such substitution or addition cannot be achieved for any reason or is not requested, the named defendant shall allow the Indemnifying Party to manage the Action and the Indemnifying Party shall fully indemnify the named defendant against all reasonable costs of defending the

Action (including court costs, sanctions imposed by a court, attorneys' fees, experts, fees and all other external expenses), the costs of any judgment or settlement and the cost of any interest or penalties relating to any judgment or settlement. Notwithstanding the foregoing, this Section 6.06.(c) shall not apply to tax matters to the extent such matters are governed by the TMA.

SECTION 6.07. Remedies Cumulative. The remedies provided in this Article VI shall be exclusive and, subject to the provisions of Article X, shall preclude assertion by any Indemnitee of any other rights or the seeking of any and all other remedies against any Indemnifying Party.

SECTION 6.08. Survival of Indemnities. The rights and obligations of each of Ashland Global and Valvoline and their respective Indemnitees under this Article VI shall survive the sale or other transfer by any Party or its Affiliates of any Assets or businesses or the assignment by it of any Liabilities.

SECTION 6.09. Limitation on Liability. Except as may expressly be set forth in this Agreement, none of Ashland Global, Valvoline or any other member of either Group shall in any event have any Liability to the other or to any other member of the other's Group, or to any other Ashland Global Indemnitee or Valvoline Indemnitee, as applicable, under this Agreement (i) with respect to any matter to the extent that such Party seeking indemnification has engaged in any knowing violation of Law or fraud in connection therewith or (ii) for any indirect, special, punitive or consequential damages, whether or not caused by or resulting from negligence or breach of obligations hereunder and whether or not informed of the possibility of the existence of such damages; provided , however , that the provisions of this Section 6.09(ii) shall not limit an Indemnifying Party's indemnification obligations hereunder with respect to any Liability any Indemnitee may have to any third party not affiliated with any member of the Ashland Global Group or the Valvoline Group for any indirect, special, punitive or consequential damages.

ARTICLE VII

Access to Information; Confidentiality

SECTION 7.01. Agreement for Exchange of Information; Archives. (a) Except in the case of an adversarial Action or threatened adversarial Action by either Ashland Global or Valvoline or a Person or Persons in its Group against the other Party or a Person or Persons in its Group, and subject to Section 7.01(b), each of Ashland Global and Valvoline, on behalf of its respective Group, shall provide, or cause to be provided, to the other Party, at any time after the Separation, as soon as reasonably practicable after written request therefor, any Information relating to time periods on or prior to the Separation Date in the possession or under the control of such respective Group, including reasonable access to any employees of such respective Group with relevant knowledge regarding any actual or alleged Environmental Liability, but only to the extent that such access does not unreasonably interfere with the relevant employee's normal duties, which Ashland Global or Valvoline, or any member of its respective Group, as applicable, reasonably needs (i) to comply with reporting, disclosure, filing, notification or other requirements imposed on Ashland Global or Valvoline, or any member of its respective Group, as applicable (including under applicable securities laws), by any national securities exchange or by any Governmental Authority having jurisdiction over Ashland Global or Valvoline, or any member of its respective Group, as applicable, (ii) for use in any other judicial, regulatory, administrative or other Action (including with respect to evaluating, managing and defending actual or potential Environmental Liabilities of either Party, any member of its respective Group or any Valvoline Entities) or in order to satisfy audit, accounting, regulatory, litigation or other similar requirements or (iii) to comply with its obligations under this Agreement or any Ancillary Agreement. The receiving Party shall use any Information received pursuant to this
Section 7.01(a) solely to the extent reasonably necessary to satisfy the applicable obligations or requirements described in clause (i), (ii) or (iii) of the immediately preceding sentence.

(b) In the event that either Ashland Global or Valvoline reasonably determines that the exchange of any Information pursuant to Section 7.01(a) could be commercially detrimental, violate any Law or

agreement or waive or jeopardize any attorney-client privilege or attorney work product protection, such Party shall not be required to provide access to or furnish such Information to the other Party; provided , however , that both Ashland Global and Valvoline shall take all commercially reasonable measures to permit compliance with Section 7.01(a) in a manner that avoids any such harm or consequence. Both Ashland Global and Valvoline intend that any provision of access to or the furnishing of Information pursuant to this Section 7.01 that would otherwise be within the ambit of any legal privilege shall not operate as waiver of such privilege.

(c) Each of Valvoline and Ashland Global agrees, on behalf of itself and each member of the Group of which it is a member, not to disclose or otherwise waive any privilege or protection attaching to any privileged Information relating to a member of the other Group or relating to or arising in connection with the relationship between the Groups prior to the Separation, without providing prompt written notice to and obtaining the prior written consent of the other (not to be unreasonably withheld or delayed).

(d) Ashland Global and Valvoline each agrees that it will only process personal data provided to it by the other Group in accordance with all applicable privacy and data protection law obligations (including any applicable privacy policies of the Valvoline Group or the Ashland Global Group, as the case may be) and will implement and maintain at all times appropriate technical and organizational measures to protect such personal data against unauthorized or unlawful processing and accidental loss, destruction, damage, alteration and disclosure. In addition, each Party agrees to provide reasonable assistance to the other Party in respect of any obligations under privacy and data protection legislation affecting the disclosure of such personal data to the other Party and will not knowingly process such personal data in such a way to cause the other Party to violate any of its obligations under any applicable privacy and data protection legislation.

SECTION 7.02. Ownership of Information. Any Information owned by one Group that is provided to the requesting Party hereunder shall be deemed to remain the property of the providing Party. Except as specifically set forth herein, nothing herein shall be construed as granting or conferring rights of license or otherwise in any such Information.

SECTION 7.03. Compensation for Providing Information. Ashland Global and Valvoline shall reimburse each other for the direct costs, if any, in complying with a request for Information pursuant to this Article VII (which costs shall not include the costs of salaries and benefits of employees of such Party or any pro rata portion of overhead or other costs of employing such employees which would have been incurred by such employees' employer regardless of the employee's service with respect to the foregoing), as may be reasonably incurred in providing such Information or access to such Information.

SECTION 7.04. Record Retention. To facilitate the possible exchange of Information pursuant to this Article VII and other provisions of this Agreement, each Party shall use its reasonable best efforts to retain all Information in such Party's possession relating to the other Party or its businesses, Assets or Liabilities, this Agreement or the Ancillary Agreements (the " Re tained Information ") substantially in accordance with the record retention policies and/or practices of Ashland LLC as in effect immediately prior to the Separation Date or such other record retention policies and/or practices as may be reasonably adopted by the respective Party on or after the Separation Date or such longer or shorter period as required by Law, this Agreement or the Ancillary Agreements. For the avoidance of doubt, such policies shall be deemed to apply to any Information in a Party's possession or control on or after the Separation Date relating to the other Party or members of its Group. Notwithstanding the foregoing, to the extent such Information relates to employee benefits or Environmental Liabilities, such period shall be extended to the expiration of the applicable statute of limitations (giving effect to any extensions thereof).

SECTION 7.05. Accounting Information. Without limiting the generality of Section 7.01 but subject to Section 7.01(b), Ashland Global and Valvoline agree that, for so long as Ashland Global is required by Law to consolidate the financial results or financial position of Valvoline and any other members of the Valvoline Group in its financial statements (either on a consolidation or equity accounting basis, determined in accordance

with GAAP and consistent with Commission reporting requirements) or complete a financial statement audit for any period during which the financial results or financial position of the Valvoline Group were consolidated with those of Ashland Global:

(a) Valvoline shall use its reasonable best efforts to enable Ashland Global to meet its timetable for dissemination of its financial statements and to enable Ashland Global's auditors to timely complete their annual audit and quarterly reviews of financial statements. As part of such efforts, to the extent reasonably necessary for the preparation of financial statements or completing an audit or review of financial statements or an audit of internal control over financial reporting, (i) Valvoline shall authorize and direct its auditors to make available to Ashland Global's auditors, within a reasonable time prior to the date of Ashland Global's auditors' opinion or review report, both (x) the personnel who performed or will perform the annual audits and quarterly reviews of Valvoline and (y) work papers related to such annual audits and quarterly reviews, to enable Ashland Global's auditors to perform any procedures they consider reasonably necessary to take responsibility for the work of Valvoline's auditors as it relates to Ashland Global's auditors' opinion or report and (ii) until all governmental audits are complete, Valvoline shall provide reasonable access during normal business hours for Ashland Global's internal auditors, counsel and other designated representatives to (x) the premises of Valvoline and its Subsidiaries and all Information (and duplicating rights) within the knowledge, possession or control of Valvoline and its Subsidiaries and (y) the officers and employees of Valvoline and its Subsidiaries, so that Ashland Global may conduct reasonable audits relating to the financial statements provided by Valvoline and its Subsidiaries; provided , however , that
(A) such access shall not be unreasonably disruptive to the business and affairs of the Valvoline Group and (B) Ashland Global shall provide reasonable advance notice of its intent to exercise its access rights pursuant to this clause (ii), it being agreed that the failure to do so shall not result in an indefinite bar to the exercise of such access right but shall only relieve Valvoline of its obligation to comply with such request earlier than is reasonable given the actual notice provided.

(b) Ashland Global shall use its reasonable best efforts to enable Valvoline to meet its timetable for dissemination of its financial statements and to enable Valvoline's auditors to timely complete their annual audit and quarterly reviews of financial statements. As part of such efforts, to the extent reasonably necessary for the preparation of financial statements or completing an audit or review of financial statements or an audit of internal control over financial reporting, (i) Ashland Global shall authorize and direct its auditors to make available to Valvoline's auditors, within a reasonable time prior to the date of Valvoline's auditors' opinion or review report, both (x) the personnel who performed or will perform the annual audits and quarterly reviews of Ashland Global and (y) work papers related to such annual audits and quarterly reviews, to enable Valvoline's auditors to perform any procedures they consider reasonably necessary to take responsibility for the work of Ashland Global's auditors as it relates to Valvoline's auditors' opinion or report and (ii) until all governmental audits are complete, Ashland Global shall provide reasonable access during normal business hours for Valvoline's internal auditors, counsel and other designated representatives to (x) the premises of Ashland Global and its Subsidiaries and all Information (and duplicating rights) within the knowledge, possession or control of Ashland Global and its Subsidiaries and (y) the officers and employees of Ashland Global and its Subsidiaries, so that Valvoline may conduct reasonable audits relating to the financial statements provided by Ashland Global and its Subsidiaries; provided , however , that (A) such access shall not be unreasonably disruptive to the business and affairs of the Ashland Global Group and (B) Valvoline shall provide reasonable advance notice of its intent to exercise its access rights pursuant to this clause (ii), it being agreed that the failure to do so shall not result in an indefinite bar to the exercise of such access right but shall only relieve Ashland Global of its obligation to comply with such request earlier than is reasonable given the actual notice provided.

(c) In order to enable the principal executive officer(s) and principal financial officer(s) (as such terms are defined in the rules and regulations of the Commission) of Ashland Global to make any certifications required of them under Section 302 or 906 of the Sarbanes- Oxley Act of 2002, Valvoline shall, within a reasonable period of time following a request from Ashland Global in anticipation of filing such reports, cause its principal executive officer(s) and principal financial officer(s) to provide Ashland Global with certifications of such officers in support of the certifications of Ashland Global's principal executive officer(s)

and principal financial officer(s) required under Section 302 or 906 of the Sarbanes-Oxley Act of 2002 with respect to each Quarterly Report on Form 10-Q and Annual Report on Form 10-K of Ashland Global for which Ashland Global is required by Law to consolidate the financial results or financial position of Valvoline and any other members of the Valvoline Group in its financial statements (either on a consolidation or equity accounting basis, determined in accordance with GAAP and consistent with Commission reporting requirements) or complete a financial statement audit for any period during which the financial results or financial position of the Valvoline Group were consolidated with those of Ashland Global. Such certifications shall be provided in substantially the same form and manner as such Valvoline officers provided prior to the Separation (reflecting any changes in certifications necessitated by the Initial Public Offering or any other transactions related thereto) or as otherwise agreed upon between Ashland Global and Valvoline.

SECTION 7.06. Limitations of Liability. Neither Ashland Global nor Valvoline shall have any Liability to the other Party in the event that any Information exchanged or provided pursuant to this Agreement that is an estimate or forecast, or that is based on an estimate or forecast, is found to be inaccurate in the absence of wilful misconduct by the providing Person. Neither Ashland Global nor Valvoline shall have any Liability to the other Party if any Information is destroyed after reasonable best efforts by Valvoline or Ashland Global, as applicable, to comply with the provisions of Section 7.04.

SECTION 7.07. Production of Witnesses; Records; Cooperation. (a) After the Separation Date and until the fifth (5th) anniversary thereof, except in the case of an adversarial Action or threatened adversarial Action by either Ashland Global or Valvoline or a Person or Persons in its Group against the other Party or a Person or Persons in its Group, each of Ashland Global and Valvoline shall take all reasonable steps to make available, upon written request, the former, current and future directors, officers, employees, other personnel and agents of the Persons in its respective Group (whether as witnesses or otherwise) and any books, records or other documents within its control or that it otherwise has the ability to make available, to the extent that such Person (giving consideration to business demands of such directors, officers, employees, other personnel and agents) or books, records or other documents may reasonably be required in connection with any Action or threatened or contemplated Action (including preparation for such Action) in which Ashland Global or Valvoline, as applicable, may from time to time be involved, regardless of whether such Action is a matter with respect to which indemnification may be sought hereunder. The requesting Party shall bear all reasonable out-of- pocket costs and expenses in connection therewith.

(b) Without limiting the foregoing, Ashland Global and Valvoline shall use their reasonable best efforts to cooperate and consult to the extent reasonably necessary with respect to any Actions or threatened or contemplated Actions, other than an adversarial Action against the other Group.

(c) The obligation of Ashland Global and Valvoline to make available former, current and future directors, officers, employees and other personnel and agents or provide witnesses and experts pursuant to this Section 7.07 is intended to be interpreted in a manner so as to facilitate cooperation and shall include the obligation to make available employees and other officers without regard to whether such individual or the employer of such individual could assert a possible business conflict (subject to the exception set forth in the first sentence of Section 7.07(a)).

(d) Upon the reasonable request of Ashland Global or Valvoline, in connection with any Action contemplated by this Article VII, Ashland Global and Valvoline will enter into a mutually acceptable common interest or joint defense agreement so as to maintain to the extent practicable any applicable attorney-client privilege or work product immunity of any member of either Group.

SECTION 7.08. Confidential Information. (a) Each of Ashland Global and Valvoline, on behalf of itself and each Person in its respective Group, shall hold, and cause its respective directors, officers, employees, agents, accountants, counsel and other advisors and representatives to hold, in strict confidence and not release or disclose, with at least the same degree of care, but no less than a reasonable degree of care, that Ashland LLC applies to its own confidential and proprietary information pursuant to policies in effect

immediately prior to the Separation Date, all Information concerning the other Group or its business that is either in its possession (including Information in its possession prior to the Separation) or furnished by the other Group or its respective directors, officers, employees, agents, accountants, counsel and other advisors and representatives at any time pursuant to this Agreement, and shall not use any such Information other than for such purposes as shall be expressly permitted hereunder, except, in each case, to the extent that such Information is (i) in the public domain through no fault of any member of the Ashland Global Group or the Valvoline Group, as applicable, or any of its respective directors, officers, employees, agents, accountants, counsel and other advisors and representatives, (ii) later lawfully acquired from other sources by any of Ashland Global, Valvoline or their respective Group, employees, directors or agents, accountants, counsel and other advisors and representatives, as applicable, which sources are not themselves bound by a confidentiality obligation to the knowledge of any of Ashland Global, Valvoline or Persons in its respective Group, as applicable, (iii) independently generated without reference to any proprietary or confidential Information of the Ashland Global Group or the Valvoline Group, as applicable, or (iv) required to be disclosed by Law; provided , however , that the Person required to disclose such Information gives the applicable Person prompt, and to the extent reasonably practicable, prior notice of such disclosure and an opportunity to contest such disclosure and shall use reasonable best efforts to cooperate, at the expense of the requesting Person, in seeking any reasonable protective arrangements requested by such Person. In the event that such appropriate protective order or other remedy is not obtained, the Person that is required to disclose such Information shall furnish, or cause to be furnished, only that portion of such Information that is legally required to be disclosed and shall use reasonable best efforts to ensure that confidential treatment is accorded such Information. Notwithstanding the foregoing, each of Ashland Global and Valvoline may release or disclose, or permit to be released or disclosed, any such Information concerning the other Group (x) to their respective directors, officers, employees, agents, accountants, counsel and other advisors and representatives who need to know such Information (who shall be advised of the obligations hereunder with respect to such Information), and (y) to any nationally recognized statistical rating organization as it reasonably deems necessary, solely for the purpose of obtaining a rating of securities or other debt instruments upon normal terms and conditions; provided , h owever , that the Party whose Information is being disclosed or released to such rating organization is promptly notified thereof. Each Party's obligations under this Section 7.08 shall expire five years from the date of this Agreement.

(b) Without limiting the foregoing, when any Information concerning the other Group or its business is no longer needed for the purposes contemplated by this Agreement or any Ancillary Agreement, each of Ashland Global and Valvoline will, promptly after request of the other Party, either return all Information in a tangible form (including all copies thereof and all notes, extracts or summaries based thereon) or certify to the other Party, as applicable, that it has destroyed such Information, other than, in each case, any such Information electronically preserved or recorded within any computerized data storage device or component (including any hard-drive or database) pursuant to automatic or routine backup procedures generally accessible only by legal, IT or compliance personnel.

ARTICLE VIII

Insurance

SECTION 8.01. Insurance. (a) Until the earlier of (x) the date Valvoline has obtained in effect such insurance policies as meet the specifications set forth in clauses (i) and (ii) of Section 8.01(d) and (y) the Trigger Date, Ashland Global shall (i) cause the members of the Valvoline Group and their respective employees, officers and directors to continue to be covered as insured parties under Ashland Global Insurance Policies in a manner which is no less favorable than the coverage provided for the Ashland Global Group and (ii) permit the members of the Valvoline Group and their respective employees, officers and directors to submit claims arising from or relating to facts, circumstances, events or matters that occurred prior to the Trigger Date to the extent permitted under such policies; p rovided that Valvoline shall use commercially reasonable efforts to obtain, effective as of the Separation Date, insurance policies that meet the specifications set forth in clauses (i) and (ii) of Section 8.01(d). With respect to policies currently procured by Valvoline for the sole benefit of the Valvoline Group ("Valvoline I nsurance Policies"), Valvoline shall continue to maintain such insurance coverage through the

Distribution Date in a manner no less favorable than currently provided. Without limiting any of the rights or obligations of the parties pursuant to Section 8.01, Ashland Global and Valvoline acknowledge that, as of immediately prior to the Trigger Date, Ashland Global intends to take such action as it may deem necessary or desirable to remove the members of the Valvoline Group and their respective employees, officers and directors as insured parties under any policy of insurance issued to any member of the Ashland Global Group by any insurance carrier effective immediately prior to the Trigger Date. Valvoline further acknowledges and agrees that, from and after the Trigger Date, neither Valvoline nor any member of the Valvoline Group shall have any rights to or under such Ashland Global Insurance Policy other than as expressly provided in Section 8.01(b).

(b) From and after the Separation Date, with respect to any Liability accrued and/or incurred by the Valvoline Group prior to the Trigger Date, Ashland Global shall provide members of the Valvoline Group with access to, and, if and to the extent determined by Ashland Global at its sole discretion, the Ashland Global Group and the Valvoline Group may jointly make claims under the Ashland Global Insurance Policies if and solely to the extent that the terms of such policies provide for such coverage to the Valvoline Group with respect to any Liabilities accrued or incurred by the Valvoline Group prior to the Trigger Date, and subject to the terms and conditions of such insurance policies, including any limits on coverage or scope, any deductibles and other fees and expenses, and subject to the following conditions:

(i) Valvoline shall, or shall cause the applicable member of the Valvoline Group to, report any potential claims under Ashland Global Insurance Policies arising from the Valvoline Business as soon as practicable to Ashland Global and Ashland Global shall determine whether and at what time to report any such claims directly to the applicable insurance company, and to submit a claim for coverage thereunder, and Ashland Global shall provide a copy of all such claim reports and submissions to Valvoline; provided , that , with respect to any such claims, Valvoline shall provide Ashland Global with the information regarding the claims and provide recommendations with regard to the reporting and submission of such claims, and Ashland Global shall consult with Valvoline with regard to the timing thereof.

(ii) If and to the extent that Valvoline is the sole entity recovering proceeds under one or more Ashland Global Insurance Policies in respect of a particular claim arising from the Valvoline Business, Valvoline shall exclusively bear and be responsible for (and Ashland Global shall have no obligation to repay or reimburse Valvoline for) and pay the applicable insurers as required under the Ashland Global Insurance Policy for any and all costs as a result of having access to, or making claims under, such Ashland Global Insurance Policy, including any amounts of deductibles and self-insured retention associated with such claims, claim handling and administrative costs, taxes, surcharges, state assessments, reinsurance costs and other related costs, as well as for any applicable increase in Ashland Global's future premiums for the coverage provided by such policy, relating to all open, closed, re-opened claims covered by the applicable insurance policies, whether such claims are made by Valvoline, its employees or third parties, and Valvoline shall indemnify, hold harmless and reimburse Ashland Global for any such amounts incurred by Ashland Global to the extent resulting from any access to, any claims made by Valvoline under, any Ashland Global Insurance Policy provided pursuant to this Section 8.01(b).

(iii) If Ashland Global and Valvoline jointly make a claim for coverage under any Ashland Global Insurance Policy for amounts that have been or may in the future be incurred partially by Ashland Global and partially by Valvoline, any insurance recovery resulting therefrom will first be allocated to reimburse Ashland Global and/or Valvoline for their respective costs, legal and consulting fees, and other out-of-pocket expenses incurred in pursuing such insurance recovery, as well as to reimburse Ashland Global for any applicable increase in Ashland Global's future premiums for the coverage provided by such policy attributable to the Valvoline portion of such joint claim, with the remaining net proceeds from the insurance recovery to be allocated as between Ashland Global and Valvoline in a manner to be negotiated in good faith by Ashland Global and Valvoline at or near the time of such recovery, provided that if the Parties cannot agree to an allocation within twenty (20)

business days of the grant, settlement or other agreement, either Party may exercise any remedies available to it under this Agreement.

(iv) Valvoline shall exclusively bear (and Ashland Global shall have no obligation to repay or reimburse Valvoline for) and shall be liable for all uninsured, uncovered, unavailable or uncollectible amounts, incurred from and after the Trigger Date, of all such claims pursued by Valvoline under the Ashland Global Insurance Policies as provided for in this Section 8.01(b).

(v) In connection with making any joint claim under any Ashland Global Insurance Policy pursuant to this Section 8.01(b), Ashland Global shall control the administration of all such claims, including the timing of any assertion and pursuit of coverage, and Valvoline shall not take any action that would be reasonably likely to: (A) have an adverse impact on the then-current relationship between Ashland Global and the applicable insurance company; (B) result in the applicable insurance company terminating or reducing coverage to Ashland Global or Valvoline, or increasing the amount of any premium owed by Ashland Global under the applicable Ashland Global Insurance Policy; (C) otherwise compromise, jeopardize or interfere with the rights of Ashland Global under the applicable Ashland Global Insurance Policy or (D) otherwise compromise or impair Ashland Global's ability to enforce its rights with respect to any indemnification under or arising out of this Agreement, and Ashland Global shall have the right, in its sole discretion, to cause Valvoline to desist from any action that Ashland Global determines, in its sole discretion, would compromise or impair Ashland Global's rights in accordance with this clause (D).

Each of Ashland Global and Valvoline shall, and shall cause each member of the Ashland Global Group and the Valvoline Group, respectively, to, cooperate and assist the applicable member of the Valvoline Group and the Ashland Global Group, as applicable, with respect to such claims.

(c) Any payments, costs and adjustments required pursuant to Section 8.01(b) shall be billed by Ashland Global to Valvoline on a quarterly basis and Valvoline shall pay such billed payments, costs and adjustments to Ashland Global within 60 days from receipt of invoice. If Ashland Global incurs costs to enforce Valvoline's obligations under this Section 8.01, Valvoline agrees to indemnify Ashland Global for such enforcement costs, including reasonable attorneys' fees.

(d) At the Trigger Date, Valvoline shall have in effect all insurance programs required to comply with Valvoline's statutory obligations. Valvoline further agrees that from and after the Trigger Date and until the Distribution Date, Valvoline will maintain with (i) financially sound and reputable insurance companies and (ii) insurance companies that are not Affiliates of the Valvoline Group, insurance with respect to its properties and business in such amounts, with such deductibles and covering such risks as are customarily carried by companies engaged in similar businesses and owning similar properties in localities where the Valvoline Group operates.

(e) This Agreement shall not be considered an attempted assignment of any policy of insurance in its entirety, nor is it considered to be itself a contract of insurance, and further this Agreement shall not be construed to waive any right or remedy of Ashland under or with respect to any

(f) Ashland Global shall not be liable to Valvoline for claims not reimbursed by insurers for any reason, including coinsurance provisions, deductibles, quota share deductibles, exhaustion of aggregates, self-insured retentions, bankruptcy or insolvency of an insurance carrier, Ashland Global Insurance Policy limitations or restrictions, any coverage disputes, any failure to timely claim by Ashland Global or any defect in such claim or in its processing. For the avoidance of doubt, this provision shall not supersede any obligation of Ashland Global to indemnify Valvoline as provided in Section 6.03.

(g) In the event that any insurance claims of both Ashland Global and Valvoline for any Liability accrued and/or incurred prior to the Trigger Date exist relating to the same occurrence, both Parties

shall jointly defend and waive any conflict of interest to the extent necessary to the conduct of the joint defense. Nothing in this Section 8.01(g) shall be construed to limit or otherwise alter in any way the obligations of the Parties, including those obligations under Article VI of this Agreement or otherwise, by operation of law or otherwise.

(h) In the event of any Action by either Valvoline or Ashland Global (or both) to recover or obtain insurance proceeds, or to defend against any Action by an insurance carrier to deny any benefits under an insurance policy, both Parties may join in any such Action and be represented by joint counsel and both Parties shall waive any conflict of interest to the extent necessary to conduct any such Action. Nothing in this Section 8.01(h) shall be construed to limit or otherwise alter in any way the obligations of both Parties, including those obligations under Article VI of this Agreement or otherwise, by operation of law or otherwise.

(i) Notwithstanding anything contained in this Section 8.01, to the extent Ashland Global has entered into or agrees to enter into, whether on its own or with respect to any arrangement provided for under this Section 8.01, any settlement or agreement or other arrangement with any insurance provider regarding coverage under any Ashland Global Insurance Policy that provides for any limitation of coverage or release of such insurance provider with regard to any coverage thereunder, whether in whole or in part (collectively, the "Released Insurance Matters"), Valvoline agrees that it shall (a) abide by the terms of and, to the extent required, consent to, any such settlement or arrangement relating to the Released Insurance Matters as a condition to receiving any coverage under any Ashland Global Insurance Policy related thereto, (b) have no rights to any such coverage under the Ashland Global Insurance Policies with respect to any Released Insurance Matters and (c) make no claims under any Ashland Global Insurance Policy with respect to any Released Insurance Matters.

SECTION 8.02. Director and Officer Liability Insurance. (a) Until the Separation Date, Ashland Global shall maintain directors and officers liability insurance policies or fiduciary liability insurance policies (collectively, "D&O Insurance Policies") for officers and directors of the Valvoline Group in a manner which is no less favorable than the coverage provided for the Ashland Global Group. Ashland Global and Valvoline acknowledge that, as of immediately prior to the Separation Date, Ashland Global intends to take such action as it may deem necessary or desirable to terminate any D&O Insurance Policy issued to any officer or director of the Valvoline by any insurance carrier effective immediately prior to the Separation Date.

(b) On and after the Separation Date, to the extent that any claims have been duly reported before the Separation Date under the D&O Insurance Policies maintained by members of the Ashland Global Group, Ashland Global shall not, and shall cause the members of the Ashland Global Group not to, take any action that would limit the coverage of the individuals who acted as directors or officers of Valvoline (or members of the Valvoline Group) prior to the Separation Date under any D&O Insurance Policies maintained by the members of the Ashland Global Group. On and after the Separation Date, Valvoline shall maintain in effect for each past or present director of Valvoline or any of its subsidiaries, as well as each individual who prior to the effectiveness of the Separation Agreement becomes a director or officer of Valvoline or any of its subsidiaries, for a period of at least six years after the Separation Date, D&O Insurance Policies of at least the same coverage and containing terms and conditions which are, in the aggregate, no less advantageous to the insured, as the current D&O Insurance Policies of Ashland Global with respect to claims arising from acts or omissions that occurred on or prior to the Separation Date. Ashland Global shall provide, and shall cause other members of the Ashland Global Group to provide, such cooperation as is reasonably requested by Valvoline in order for Valvoline to have in effect on and after the Separation Date such new D&O Insurance Policies as Valvoline deems appropriate with respect to claims reported on or after the Separation Date. Except as provided in this Section 8.02, the Ashland Global Group may, at any time, without liability or obligation to the Valvoline Group, amend, commute, terminate, buy- out, extinguish liability under or otherwise modify any "occurrence-based" insurance policy or "claims-made-based" insurance policy (and such claims will be subject to any such amendments, commutations, terminations, buy-outs, extinguishments and modifications); provided , however , that Ashland Global will immediately notify Valvoline of any termination of any insurance policy.

(c) From and after the Separation Date and until the day following the Distribution Date, Valvoline shall maintain D&O Insurance Policies for officers and directors of the Valvoline Group in a manner which is no less favorable than the coverage provided for the Ashland Global Group.

(d) The Parties shall use reasonable best efforts to cooperate with respect to the various insurance matters contemplated by this Section 8.02.

ARTICLE IX

Intellectual Property

SECTION 9.01. Consent To Use Intellectual Property And Duty To Cooperate.

(a) Valvoline, on behalf of itself and each other member of the Valvoline Group, (i) consents to the use and registration of the Ashland Global IP in the business and operations conducted by Ashland Global and its Subsidiaries, Affiliates and their respective licensees and (ii) agrees to use reasonable best efforts, prior to, on and after the Separation Date, to take, or cause to be taken, all actions, and to do, or cause to be done, all things, reasonably necessary, proper or advisable to effect the transfer, assignment, registration or any related recordation of Ashland Global IP contemplated by this Agreement, on a worldwide basis.

(b) Ashland Global, on behalf of itself and each other member of the Ashland Global Group, (i) consents to the use and registration of the Valvoline IP in the Valvoline Business by Valvoline and its Affiliates and their respective licensees and (ii) agrees to use reasonable best efforts, prior to, on and after the Separation Date, to take, or cause to be taken, all actions, and to do, or cause to be done, all things, reasonably necessary, proper or advisable to effect the transfer, assignment, registration and any related recordation of Valvoline IP contemplated by this Agreement, on a worldwide basis.

(c) Valvoline agrees that it will not, and agrees to cause its Subsidiaries not to (i) oppose, challenge, petition to cancel, contest or threaten in any way, or assist another party in opposing, challenging, petitioning to cancel, contesting or threatening in any way, any application or registration by Ashland Global or its Affiliates or their respective licensees for any Ashland Global IP, the use of which is consistent with the use to which Valvoline has consented under this Agreement or (ii) engage in any act, or purposefully omit to perform any act, that impairs or adversely affects the rights of Ashland Global or any member of the Ashland Global Group in and to any Ashland Global IP, in each case for a period of five years after the Separation Date.

(d) Ashland Global agrees that it will not, and agrees to cause its Subsidiaries not to (i) oppose, challenge, petition to cancel, contest or threaten in any way, or assist another party in opposing, challenging, petitioning to cancel, contesting or threatening in any way, any application or registration by Valvoline or its Affiliates or their respective licensees for any Valvoline IP, the use of which is consistent with the use to which Ashland Global has consented under this Agreement or (ii) engage in any act, or purposefully omit to perform any act, that impairs or adversely affects the rights of Valvoline or any member of the Valvoline Group in and to any Valvoline IP, in each case for a period of five years after the Separation Date.

(e) Valvoline hereby acknowledges (on behalf of itself and each other member of the Valvoline Group) Ashland Global's right, title and interest in and to the Ashland Global IP, and will not in any way, directly or indirectly, do or cause to be done any act or thing contesting or in any way impairing or tending to impair any part of such right, title and interest within the business and operations conducted by Ashland Global and its Subsidiaries, Affiliates and their respective licensees, or with respect to goods or services provided in connection with the business and operations conducted by Ashland Global and its Subsidiaries, Affiliates and their respective licensees, in each case for a period of five years after the Separation Date.

(f) Ashland Global hereby acknowledges (on behalf of itself and each other member of the

Ashland Global Group) Valvoline's right, title and interest in and to the Valvoline IP, and will not in any way, directly or indirectly, do or cause to be done any act or thing contesting or in any way impairing or tending to impair any part of such right, title and interest within the Valvoline Business or with respect to goods or services provided in connection with the Valvoline Business, in each case for a period of five years after the Separation Date.

(g) Prior to, on and after the Separation Date, Ashland Global shall cooperate with Valvoline, without any further consideration, but at the expense of Valvoline, to obtain, or cause to be obtained, the Consents of any third parties necessary to effect the assignment or transfer of any Intellectual Property assets or rights contemplated under this Agreement or any Ancillary Agreement. If, for any reason, the assignment or transfer of any Intellectual Property assets or rights contemplated under this Agreement or any Ancillary Agreement is otherwise impossible or ineffective, Ashland Global shall, and shall cause its Subsidiaries to, use their reasonable best efforts to work together (and, if necessary and desirable, to work with any applicable third parties) in an effort to sublicense, divide, partially assign, modify and/or replicate (in whole or in part) the respective rights and obligations under and in respect of any planned assignment or transfer.

(h) Prior to, on and after the Separation Date, Ashland Global shall cooperate with Valvoline, without any further consideration and at no expense to Valvoline, to obtain, cause to be obtained or properly record the release of any outstanding liens or security interests attached to any Valvoline IP and to take, or cause to be taken, all actions as Ashland Global may reasonably be requested to take in order to obtain, cause to be obtained or properly record such release.

(i) Valvoline agrees not to use, and agrees to cause its Subsidiaries not to use, any of the Trademark Assets included in the Ashland Global Assets (the "Ashland Global Marks"), including any names, trademarks or domain names that incorporate the Ashland Global Marks for any purpose, except where (i) the use is a use, otherwise than as a mark, of a member of the Ashland Global Group's individual name in its own business, or of the individual name of anyone in privity with the Ashland Global Group, or of a term or device which is descriptive of and used fairly and in good faith only to describe the goods or services of the Ashland Global Group, or their geographic origin; or, (ii) if used as a mark, such use does not conflict with, and is unlikely to cause consumer confusion with, dilute or tarnish, any Ashland Global Marks, and is in no way contrary to the terms of this Article IX.

In the event that, as of the Separation Date, Ashland Global Marks prominently appear on any publicly available or promoted business or promotional materials used by Valvoline or its Affiliates within the Valvoline Business, Valvoline shall remove and cease using, and shall cause its Subsidiaries to remove and cease using, such prominently appearing marks as soon as reasonably practical following the Separation Date but in any event within 180 days of the Separation Date or, with respect to products for sale produced prior to the Separation Date on which any Ashland Global Mark prominently appears, within 365 days of the Separation Date; provided that Valvoline shall promptly arrange for the destruction of any such products for sale produced prior to the Separation Date that remain unsold following such 365-day period and on which any Ashland Global Mark prominently appears.

Notwithstanding anything in this Agreement to the contrary, and without limiting the rights otherwise granted in this Section 9.01(i), the Valvoline Group shall have the right, at all times before, during and after the Separation Date, to retain records and other historical or archived documents containing or referencing (i) the Ashland Global Marks or (ii) any other Information previously held by the Ashland Global Group, to the extent relating to the Valvoline Business.

(j) Ashland Global agrees not to use, and agrees to cause its Subsidiaries not to use, any of the Trademark Assets included in the Valvoline Assets (the "Valvoline Marks") for any purpose, except where (i) the use is a use, otherwise than as a mark, of a member of the Valvoline Group's individual name in its own business, or of the individual name of anyone in privity with the Valvoline Group, or of a term or device which is

descriptive of and used fairly and in good faith only to describe the goods or services of the Valvoline Group, or their geographic origin; or, (ii) if used as a mark, such use does not conflict with, and is unlikely to cause consumer confusion with, dilute or tarnish, any Valvoline Marks, and is in no way contrary to the terms of this Article IX.

In the event that, as of the Separation Date, Valvoline Marks prominently appear on any publicly available or promoted business or promotional materials used by Ashland Global or its Affiliates within the business and operations conducted by Ashland Global and its Subsidiaries, Ashland Global shall remove and cease using, and shall cause its Subsidiaries to remove and cease using, such prominently appearing marks as soon as reasonably practical following the Separation Date but in any event within 180 days of the Separation Date or, with respect to products for sale produced or published prior to the Separation Date on which any Valvoline Mark prominently appears, within 365 days of the Separation Date; provided that Ashland Global shall promptly arrange for the destruction of any such products for sale produced or published prior to the Separation Date that remain unsold following such 365-day period and on which any Valvoline Mark prominently appears.

Notwithstanding anything in this Agreement to the contrary, and without limiting the rights otherwise granted in this Section 9.01(j), the Ashland Global Group shall have the right, at all times before, during and after the Separation Date, to retain records and other historical or archived documents containing or referencing (i) the Valvoline Marks or (ii) any other Information previously held by the Valvoline Group, to the extent relating to the Ashland Global Business.

(k) (i) As of the Separation Date, any and all photographs, artwork and similar objects and other physical assets owned by the Ashland Global Group or the Valvoline Group that relate to the history or historical activities of the Valvoline Business (" Valvolin e Memorabilia ") shall be deemed to be owned, as between the Ashland Global Group and the Valvoline Group, by (i) the Valvoline Group to the extent located on the premises of any member of the Valvoline Group and (ii) the Ashland Global Group to the extent located on the premises of any member of the Ashland Global Group. Valvoline hereby grants the Ashland Global Group from the Separation Date a worldwide, transferable, perpetual, royalty-free, irrevocable (with right to sub-license), fully paid license to use any Valvoline Memorabilia in documenting, memorializing and (if desired) marketing its history.

(ii) As of the Separation Date, any and all photographs, artwork and similar objects and other physical assets owned by the Ashland Global Group or the Valvoline Group that relate to the history or historical activities of the Ashland Global Business ("Ashland Global Memorabilia ") shall be deemed to be owned, as between the Ashland Global Group and the Valvoline Group, by (i) the Valvoline Group to the extent located on the premises of any member of the Valvoline Group and (ii) the Ashland Global Group to the extent located on the premises of any member of the Ashland Global Group. Ashland Global hereby grants the Valvoline Group from the Separation Date a worldwide, transferable, perpetual, royalty-free, irrevocable (with right to sub-license), fully paid license to use any Ashland Global Memorabilia in documenting, memorializing and (if desired) marketing its history.

(l) Each of Ashland Global and Valvoline believes its respective Trademark Assets are sufficiently distinctive and different to ensure consumers will not be confused as to source or sponsorship, and each agrees to employ its reasonable best efforts to use its respective Trademark Assets in a manner that does not cause actual confusion or a likelihood of confusion as to source or sponsorship of its respective goods or services in its respective channels of trade. If, despite Ashland Global's and Valvoline's reasonable best efforts, such actual confusion shall be brought to the attention of either such Party, the Parties agree to consult regarding steps to be taken to mitigate or correct such actual confusion.

(m) Each of Ashland Global and Valvoline shall be responsible for policing, protecting and enforcing its own Intellectual Property. Notwithstanding the foregoing, each of Ashland Global and Valvoline will promptly give notice to the other of any known, actual or threatened, use or infringement of any of the other Party's Intellectual Property, including, without limitation, infringement of the other Party's Trademark Assets,

in each case for a period of five years after the Separation Date.

SECTION 9.02. Trade Secrets. All Trade Secrets included in the Valvoline Assets (“Valvoline Trade Secrets”) shall be in or shall be moved to the physical possession of the Valvoline Group in a tangible form (including all copies thereof and all notes, extracts or summaries based thereon) prior to or on the Separation Date. Within a commercially reasonable time after placing the Valvoline Trade Secrets within the Valvoline Group, Ashland Global shall destroy or shall have destroyed any form or copy of Valvoline Trade Secrets in the possession of Ashland Global or any members of its Group, other than Valvoline Trade Secrets that were electronically preserved or recorded by an electronic backup system prior to the Separation Date and remain within a secure, encrypted data backup system that is subject to industry practice defense, protection and access restriction measures. If any Valvoline Trade Secrets are discovered to remain in the possession of the Ashland Global Group after the Separation Date, Ashland Global shall destroy or shall have destroyed any form or copy of such Valvoline Trade Secrets as promptly as possible, and within no more than a commercially reasonable amount of time.

All Trade Secrets included in the Ashland Global Assets (“Ashland Global Trade Secrets”) shall be in or shall be moved to the physical possession of the Ashland Global Group in a tangible form (including all copies thereof and all notes, extracts or summaries based thereon) prior to or on the Separation Date. Within a commercially reasonable time after placing the Ashland Global Trade Secrets within the Ashland Global Group, Valvoline shall destroy or shall have destroyed any form or copy of Ashland Global Trade Secrets in the possession of Valvoline or any members of its Group, other than Ashland Global Trade Secrets that were electronically preserved or recorded by an electronic backup system prior to the Separation Date and remain within a secure, encrypted data backup system that is subject to industry practice defense, protection and access restriction measures. If any Ashland Global Trade Secrets are discovered to remain in the possession of the Valvoline Group after the Separation Date, Valvoline shall destroy or shall have destroyed any form or copy of such Ashland Global Trade Secrets as promptly as possible, and within no more than a commercially reasonable amount of time.

SECTION 9.03. Intellectual Property Cross License. The Parties acknowledge that through the course of a history of integrated operations they and the members of their respective Groups have each obtained knowledge of and access to Intellectual Property, including Trade Secrets, copyrighted content, proprietary know-how, and other Intellectual Property rights that are not governed expressly by this Agreement or any of the Ancillary Agreements or identified expressly in any of the schedules thereto (collectively, “Shared Background IP”). With regard to this Shared Background IP, the Parties seek to ensure that each has the freedom to use such Shared Background IP in the future. Hence, as of the Separation Date, each Group hereby grants to the other Group a non-exclusive, royalty-free, fully-paid, perpetual, sublicenseable (through multiple tiers), worldwide license to use and exercise rights under any Shared Background IP (excluding Trademark Assets and the subject matter of any Ancillary Agreement) owned by such Group and used in the other Group’s businesses prior to the Separation Date solely for use of the same type, of the same scope, and to the same extent as used by such Group prior to the Separation Date, in connection with such Group’s businesses, including both internal business activities and distribution and sublicensing through multiple tiers carried out in the ordinary course of business. Such license shall be and is on an “as-is, where-is” basis, and each Group hereby expressly disclaims all representations and warranties of any type or nature, provided that the disclaimer set forth in this Section 9.03 is expressly limited to this Section 9.03 and does not limit, supersede or modify any other representation or warranty set forth elsewhere in this Agreement or any other Ancillary Agreement.

SECTION 9.04. Scope. The geographic scope of this Article IX shall be worldwide.

SECTION 9.05. Licenses; Assignments. Any license, assignment or other transfer of rights in the Ashland Global IP or the Valvoline IP to a third party shall be accompanied by the restrictions provided in this Article IX.

ARTICLE X

Further Assurances and Additional Covenants

SECTION 10.01. Further Assurances. (a) In addition to the actions specifically provided for elsewhere in this Agreement, each of the Parties shall, subject to Section 4.04, use reasonable best efforts, prior to, on and after the Separation Date, to take, or cause to be taken, all actions, and to do, or cause to be done, all things, reasonably necessary, proper or advisable under applicable Laws and agreements to consummate and make effective the transactions contemplated by this Agreement.

(b) Without limiting the foregoing, prior to, on and after the Separation Date, each Party shall cooperate with the other Party, without any further consideration, (i) to execute and deliver, or use reasonable best efforts to execute and deliver, or cause to be executed and delivered, all Conveyancing and Assumption Instruments as such Party may reasonably be requested to execute and deliver by the other Party, (ii) to make, or cause to be made, all filings with, and to obtain, or cause to be obtained, all Governmental Approvals or other Consents required by Law or otherwise necessary or advisable under any ruling, judgment, Permit, license, agreement, indenture or other instrument, (iii) to obtain, or cause to be obtained, any Governmental Approvals or other Consents required to effect the Separation, the Initial Public Offering, the Distribution or the Other Disposition, or to conduct the Valvoline Business or the Ashland Global Business, as each was conducted as of the Separation Date, from and after the Separation Date and (iv) to take, or cause to be taken, all such other actions as such Party may reasonably be requested to take by the other Party from time to time, consistent with the terms of this Agreement and the Ancillary Agreements, in order to effectuate the provisions and purposes of this Agreement and any transfers of Assets or assignments and assumptions of Liabilities hereunder and the other transactions contemplated hereby.

(c) On or prior to the Separation Date, Ashland Global and Valvoline, in their respective capacities as direct and indirect shareholders of their respective Subsidiaries, shall each ratify any actions that are reasonably necessary or desirable to be taken by Valvoline or any other Subsidiary of Ashland Global, as the case may be, to effectuate the transactions contemplated by this Agreement.

(d) Prior to the Separation, if either Party identifies any commercial or other service that is needed to ensure a smooth and orderly transition of its business in connection with the consummation of the transactions contemplated hereby, and that is not otherwise governed by the provisions of this Agreement or any Ancillary Agreement, the Parties will cooperate in determining whether there is a mutually acceptable arm's-length basis on which the other Party will provide such service.

(e) Prior to the Distribution Date, Valvoline will not, without the prior written consent of Ashland Global (which it may withhold in its sole and absolute discretion), issue
(i) any shares of Valvoline Common Stock or any rights, warrants or options to acquire Valvoline Common Stock (including, without limitation, securities convertible into or exchangeable for Valvoline Common Stock) or (ii) any share of Valvoline Non-Voting Stock; provided that, regardless or whether or not Ashland Global shall have consented thereto, in no case shall any such issuance (after giving effect to such issuance and considering all the shares of Valvoline Common Stock acquirable pursuant to such rights, warrants and options that may be outstanding on the date of such issuance (whether or not then exercisable)), result in Ashland Global owning directly or indirectly less than the number of shares necessary to (x) constitute control of Valvoline within the meaning of Section 368(c) of the Code or (y) meet the stock- ownership requirements described in Section 1504(a)(2) of the Code (in each case, if the number 81 were substituted for the number 80 each time it appears in such sections).

ARTICLE XI

Termination

SECTION 11.01. Termination. This Agreement may be terminated by Ashland Global at any time, in its sole discretion, prior to the Separation.

SECTION 11.02. Effect of Termination. In the event of any termination of this Agreement prior to the Separation, neither Party (nor any of its directors or officers) shall have any Liability or further obligation to the other Party under this Agreement or the Ancillary Agreements.

ARTICLE XII

Miscellaneous

SECTION 12.01. Counterparts; Entire Agreement; Corporate Power. (a) This Agreement may be executed in one or more counterparts, all of which counterparts shall be considered one and the same agreement, and shall become effective when one or more counterparts have been signed by each Party and delivered to the other Party. This Agreement may be executed by facsimile or PDF signature and a facsimile or PDF signature shall constitute an original for all purposes.

(b) This Agreement, the Ancillary Agreements and the Appendices, Exhibits and Schedules hereto and thereto contain the entire agreement between the Parties with respect to the subject matter hereof and supersede all previous agreements, negotiations, discussions, writings, understandings, commitments and conversations with respect to such subject matter, and there are no agreements or understandings between the Parties with respect to the subject matter hereof other than those set forth or referred to herein or therein. If there is a conflict between any provision of this Agreement and any specific provision of an applicable Ancillary Agreement, such Ancillary Agreement shall control; provided that with respect to any Conveyancing and Assumption Instrument, this Agreement shall control unless specifically stated otherwise in such Conveyancing and Assumption Instrument.

(c) Ashland Global represents on behalf of itself and each other member of the Ashland Global Group, and Valvoline represents on behalf of itself and each other member of the Valvoline Group, as follows:

(i) each such Person has the requisite corporate or other power and authority and has taken all corporate or other action necessary in order to execute, deliver and perform each of this Agreement and each Ancillary Agreement to which it is a party and to consummate the transactions contemplated hereby and thereby; and

(ii) this Agreement and each Ancillary Agreement to which it is a party has been (or, in the case of any Ancillary Agreement, will be on or prior to the Separation Date) duly executed and delivered by it and constitutes, or will constitute, a valid and binding agreement of it enforceable in accordance with the terms thereof.

SECTION 12.02. Governing Law; Dispute Resolution; Jurisdiction. (a)This Agreement shall be governed by, and construed in accordance with, the Laws of the State of New York, regardless of the Laws that might otherwise govern under applicable principles of conflicts of Laws thereof.

(b) Unless otherwise set forth in this Agreement, in the event of any dispute arising under this Agreement between the Parties, either Party shall have a right to refer such dispute to the respective general counsels, and such general counsels shall attempt in good faith to resolve such dispute. If the Parties are unable

to resolve a given dispute within 10 days of such dispute being referred to the general counsels, then either Party shall have a right to refer such dispute to the respective chief executive officers, and such chief executive officers shall attempt in good faith to resolve such dispute. If the Parties are unable to resolve a given dispute within 10 days of such dispute being referred to the chief executive officers as provided in this Section 12.02(b), then, subject to Section 6.07, each Party shall have the right to exercise any and all remedies available under law or equity with respect to such dispute.

(c) Each Party irrevocably consents to the exclusive jurisdiction, forum and venue of the Commercial Division of the Supreme Court of the State of New York, New York County and the United States District Court for the Southern District of New York over any and all claims, disputes, controversies or disagreements between the Parties or any of their respective Subsidiaries, Affiliates, successors and assigns under or related to this Agreement or any document executed pursuant to this Agreement or any of the transactions contemplated hereby or thereby.

(d) Notwithstanding anything in this Agreement to the contrary, a Party may seek a temporary restraining order or a preliminary injunction from any court of competent jurisdiction, at any time, in order to prevent immediate and irreparable injury, less or damage on a provisional basis, pending the resolution of any dispute hereunder, including under Sections 12.02(b) or (c) hereof.

SECTION 12.03. Assignability. Neither this Agreement nor any of the rights, interests or obligations under this Agreement shall be assigned, in whole or in part, by operation of Law or otherwise by either Party without the prior written consent of the other Party. Any purported assignment without such consent shall be void. Subject to the preceding sentences, this Agreement will be binding upon, inure to the benefit of, and be enforceable by, the Parties and their respective successors and assigns. Notwithstanding the foregoing, either Party may assign this Agreement without consent in connection with (a) a merger transaction in which such Party is not the surviving entity and the surviving entity acquires or assumes all or substantially all of such Party's Assets, or (b) the sale of all or substantially all of such Party's Assets; provided , however , that the assignee expressly assumes in writing all of the obligations of the assigning Party under this Agreement, and the assigning Party provides written notice and evidence of such assignment and assumption to the non-assigning Party. No assignment permitted by this Section 12.03 shall release the assigning Party from liability for the full performance of its obligations under this Agreement.

SECTION 12.04. Third-Party Beneficiaries. Except for the indemnification rights under this Agreement of any Ashland Global Indemnitee or Valvoline Indemnitee in their respective capacities as such, (a) the provisions of this Agreement are solely for the benefit of the Parties hereto and are not intended to confer upon any Person except the Parties hereto any rights or remedies hereunder and (b) there are no third-party beneficiaries of this Agreement and this Agreement shall not provide any third person with any remedy, claim, liability, reimbursement, cause of action or other right in excess of those existing without reference to this Agreement.

SECTION 12.05. Notices. All notices or other communications under this Agreement shall be in writing and shall be deemed to be duly given when (a) delivered in person, (b) on the date received, if sent by a nationally recognized delivery or courier service or (c) upon the earlier of confirmed receipt or the fifth business day following the date of mailing if sent by registered or certified mail, return receipt requested, postage prepaid, addressed as follows:

If to Ashland Global, to:

ASHLAND GLOBAL HOLDINGS INC.
50 E. RiverCenter Blvd. Covington, KY 41011 Attn: Peter J. Ganz
e-mail: PGanz@ashland.com

with a copy to:

Cravath, Swaine & Moore LLP Worldwide Plaza
825 Eighth Avenue New York, NY 10019
Attn: Susan Webster and Thomas E. Dunn
e-mail: swebster@cravath.com, tdunn@cravath.com
Facsimile: (212) 474-3700

If to Valvoline, to:

VALVOLINE INC.
3499 Blazer Parkway
Lexington, KY 40509 Attn: Julie M. O'Daniel
e-mail: JMODaniel@valvoline.com

Either Party may, by notice to the other Party, change the address to which such notices are to be given.

SECTION 12.06. Severability. If any provision of this Agreement or the application thereof to any Person or circumstance is determined by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions hereof, or the application of such provision to Persons or circumstances or in jurisdictions other than those as to which it has been held invalid or unenforceable, shall remain in full force and effect and shall in no way be affected, impaired or invalidated thereby, so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner materially adverse to either Party. Upon any such determination, any such provision, to the extent determined to be invalid, void or unenforceable, shall be deemed replaced by a provision that such court determines is valid and enforceable and that comes closest to expressing the intention of the invalid, void or unenforceable provision.

SECTION 12.07. Publicity. Each of Ashland Global and Valvoline shall consult with the other, and shall, subject to the requirements of Section 7.08, provide the other Party the opportunity to review and comment upon, any press releases or other public statements in connection with the Separation, the Initial Public Offering, the Distribution or the Other Disposition or any of the other transactions contemplated hereby and any filings with any Governmental Authority or national securities exchange with respect thereto, in each case prior to the issuance or filing thereof, as applicable (including the IPO Registration Statement, the Parties' respective Current Reports on Form 8-K to be filed on the Distribution Date, the Parties' respective Quarterly Reports on Form 10-Q filed with respect to the fiscal quarter during which the Distribution Date occurs, or if such quarter is the fourth fiscal quarter, the Parties' respective Annual Reports on Form 10-K filed with respect to the fiscal year during which the Distribution Date occurs (each such Quarterly Report on Form 10-Q or Annual Report on Form 10-K, a " First Post-Distribution Report ")). Each Party's obligations pursuant to this Section 12.07 shall terminate on the date on which such Party's First Post-Distribution Report is filed with the Commission.

SECTION 12.08. Expenses. Ashland Global and Valvoline shall each bear the costs and expenses incurred or paid as of the Distribution Date in connection with the Separation, the Initial Public Offering and the Distribution or the Other Disposition, as applicable, for the services and to the financial, legal, accounting and other advisors set forth below their respective names on Schedule VII. Except as expressly set forth in this Agreement or in any Ancillary Agreement, all other third-party fees, costs and expenses paid or incurred in connection with the Separation, the Initial Public Offering and the Distribution or the Other Disposition, as applicable, will be paid by the Party incurring such fees or expenses, whether or not the Separation is consummated, or as otherwise agreed by the Parties in writing.

SECTION 12.09. Headings. The article, section and paragraph headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement.

SECTION 12.10. Survival of Covenants. Except as expressly set forth in this Agreement, the covenants in this Agreement and the liabilities for the breach of any obligations in this Agreement shall survive the Separation, the Initial Public Offering and any Distribution or Other Disposition, as applicable, and shall remain in full force and effect.

SECTION 12.11. Waivers of Default. No failure or delay of any Party (or the applicable member of its Group) in exercising any right or remedy under this Agreement or any Ancillary Agreement shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or power, or any abandonment or discontinuance of steps to enforce such right or power, or any course of conduct, preclude any other or further exercise thereof or the exercise of any other right or power. Waiver by any Party of any default by the other Party of any provision of this Agreement shall not be deemed a waiver by the waiving Party of any subsequent or other default.

SECTION 12.12. Specific Performance. Subject to Section 4.04 and notwithstanding the procedures set forth in Article X, in the event of any actual or threatened default in, or breach of, any of the terms, conditions and provisions of this Agreement, the affected Party shall have the right to specific performance and injunctive or other equitable relief of its rights under this Agreement, in addition to any and all other rights and remedies at Law or in equity, and all such rights and remedies shall be cumulative. The other Party shall not oppose the granting of such relief on the basis that money damages are an adequate remedy. The Parties agree that the remedies at Law for any breach or threatened breach hereof, including monetary damages, are inadequate compensation for any loss and that any defense in any action for specific performance that a remedy at Law would be adequate is waived. Any requirements for the securing or posting of any bond with such remedy are waived.

SECTION 12.13. Amendments. No provisions of this Agreement shall be deemed waived, amended, supplemented or modified by any Party, unless such waiver, amendment, supplement or modification is in writing and signed by the authorized representative of each Party.

SECTION 12.14. Interpretation. Words in the singular shall be held to include the plural and vice versa and words of one gender shall be held to include the other gender as the context requires. The terms “hereof,” “herein” “and “herewith” and words of similar import, unless otherwise stated, shall be construed to refer to this Agreement as a whole (including all of the schedules hereto) and not to any particular provision of this Agreement. Article, Section or Schedule references are to the articles, sections and schedules of or to this Agreement unless otherwise specified. Any capitalized terms used in any Schedule to this Agreement or to any Ancillary Agreement but not otherwise defined therein shall have the meaning as defined in this Agreement or the Ancillary Agreement to which such Schedule is attached, as applicable. Any reference herein to this Agreement, unless otherwise stated, shall be construed to refer to this Agreement as amended, supplemented or otherwise modified from time to time, as permitted by Section 12.13. The word “including” and words of similar import when used in this Agreement shall mean “including, without limitation,” unless the context otherwise

requires or unless otherwise specified. The word "or" shall not be exclusive.

SECTION 12.15. Waiver of Jury Trial . EACH OF THE PARTIES ACKNOWLEDGES AND AGREES THAT ANY CONTROVERSY THAT MAY ARISE UNDER THIS AGREEMENT IS LIKELY TO INVOLVE COMPLICATED AND DIFFICULT ISSUES, AND THEREFORE EACH OF THE PARTIES HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY RIGHT SUCH PARTY MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT. EACH OF THE PARTIES CERTIFIES AND ACKNOWLEDGES THAT (A) NO REPRESENTATIVE, AGENT OR ATTORNEY OF THE OTHER COMPANY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT THE OTHER PARTY WOULD NOT, IN THE EVENT OF ANY LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER, (B) EACH OF THE PARTIES UNDERSTANDS AND HAS CONSIDERED THE IMPLICATIONS OF THIS WAIVER, (C) EACH OF THE PARTIES MAKES THIS WAIVER VOLUNTARILY AND (D) EACH OF THE PARTIES HAS BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION 12.15.

ASHLAND GLOBAL HOLDINGS, INC.

by /s/ Peter J. Ganz
Name: Peter J. Ganz
Title: Senior Vice President, General Counsel, and Secretary

VALVOLINE INC.,

by /s/ Julie O'Daniel
Name: Julie O'Daniel
Title: General Counsel and Corporate Secretary

Exhibit 10.16

Execution Version

Transition Services Agreement

TRANSITION SERVICES AGREEMENT (this " Agreement ") dated as of September 22, 2016 and effective as of September 28, 2016, (the " Effective Date ") by and between Ashland Global Holdings Inc. (" Provider "), a Delaware corporation and parent of Ashland LLC, and Valvoline Inc. (" Recipient "), a Kentucky corporation. Capitalized terms used herein but not otherwise defined shall have the meanings assigned to them in the Separation Agreement dated as of September 22, 2016 (the " Separation Agreement "), by and between Provider and Recipient.

BACKGROUND

WHEREAS the board of directors of Ashland Inc. (as predecessor to Ashland LLC, a Kentucky limited liability company (" Ashland LLC ")) has determined to separate Ashland LLC into two independent, publicly traded companies, Provider and Recipient;

WHEREAS in connection with the Separation, Ashland LLC has become a wholly owned subsidiary of Provider and, prior to the conversion to a limited liability company, the shareholders of Ashland Inc. have received shares of Provider Common Stock in exchange for their Ashland Inc. shares;

WHEREAS Provider and Recipient have entered the Separation Agreement, which sets forth, among other things, the assets, liabilities, rights and obligations of Provider and Recipient for purposes of effecting the Separation; and

WHEREAS, in connection with the transactions contemplated by the Separation Agreement and in order to ensure a smooth transition following the Separation, Recipient and certain of its Affiliates have requested Provider and certain of its Affiliates to provide certain services to Recipient and its Affiliates for a period following the date hereof, and Provider has agreed to provide, or cause certain of its Affiliates to provide, such services, on the terms and subject to the conditions set forth in this Agreement.

NOW, THEREFORE, in consideration of the mutual agreements, provisions and covenants contained in this Agreement, the Parties, intending to be legally bound, hereby agree as follows:

TERMS

1. Services .

(a) Furnishing of Services . During the Term (as defined below), Provider agrees to provide to Recipient and its Affiliates, or cause certain of its Affiliates to provide to Recipient and its Affiliates, the services specifically identified in, and in accordance with, Schedule A (each a " Service " and collectively, the " Services "). Recipient agrees to purchase, and cause its Affiliates to purchase, the Services in accordance with the terms of this Agreement.

(b) Additional Services . During the Term, Recipient may request that Provider provide services that are not specifically identified in Schedule A and not otherwise provided for under any other agreement between Provider and Recipient (each such service, an " Additional Service "). Provider shall consider any such request in good faith and, if Provider agrees to provide or cause such Additional Services to be provided, such Additional Services shall be provided on terms mutually agreed by the Parties in good faith and the Parties shall amend the

provisions of Schedule A so that Schedule A includes the Additional Services. Any such Additional Services shall be deemed to be Services for all purposes of this Agreement.

(c) Migration Services . The Parties acknowledge the transitional nature of the Services and agree to cooperate in good faith to effectuate a smooth transition of the Services from Provider to Recipient. Provider shall, and shall use commercially reasonable efforts to cause any third-party provider of Services to, assist Recipient in connection with the transition from the performance of Services by Provider and its Affiliates to the performance of such Services by Recipient, which may include assistance with the transfer of records, migration of historical data, the transition of any such Service from the hardware, software, network and telecommunications equipment and internet-related information technology infrastructure (" Internal IT Systems ") of Provider to the Internal IT Systems of Recipient and cooperation with and assistance to any third-party consultants engaged by Recipient in connection with such transition (" Migration Services "), taking into account the need to minimize the cost of such migration and the disruption to the ongoing business activities of the Parties hereto and their Affiliates. The internal planning of the Migration Services by Provider and its Affiliates and Migration Services shall be provided to Recipient as set forth on Schedule A . Any such Migration Services shall be deemed to be Services for all purposes of this Agreement.

(d) Scope of Services; Standard of Care .

i. Provider shall perform, or shall cause its Affiliates to perform, all Services to the same standard of care, quality and professionalism as if they were being performed for Provider, and in any event with at least the same level of care, quality and professionalism as such Services were provided to the Valvoline Business during the twelve (12) months preceding the Effective Date.

ii. In connection with providing the Services, Provider and its Affiliates shall not be required to perform, or refrain from taking, any actions that would result in any breach or violation of any license, lease or other agreement to which Provider or any of its Affiliates is a Party, or any Law; provided , however , that Provider will use commercially reasonable efforts, at the sole cost of Recipient, to obtain any third-party consents required to provide the Services to Recipient; provided , further that Provider and its Affiliates shall not be required to pay any consideration therefor, or to commence, defend or participate in any litigation or offer or grant any accommodation (financial or otherwise) to any third-party in connection therewith. Until such consents are obtained, Provider will use commercially reasonable efforts, to arrange for an alternative method of delivering the relevant Services that does not violate any applicable Law. Recipient shall bear the costs for such alternative methods of delivering the relevant services.

iii. Except as otherwise provided in this Section 1(d), the Services to be provided under this Agreement are furnished as is, where is, with all faults, and without representation, warranty or condition of any kind, express or implied, including any representation, warranty or condition of noninfringement, merchantability, satisfactory quality, fitness for any particular purpose, absence of errors or absence of interruptions.

iv. Except as otherwise provided in Section 11(c) hereof, neither Provider nor any of its Affiliates will be required to perform any of the Services for the benefit of any person other than Recipient and its Affiliates.

(e) Changes to Services . Provider or its Affiliates may make changes from time to time in the manner of performing the Services if Provider or its Affiliates are making similar changes in performing similar services for Provider and its Affiliates; provided , however , that prior to Provider or its Affiliates modifying in any material and adverse manner the service level or manner of performing a Service, Provider or its Affiliates, as applicable, shall furnish to Recipient substantially the same notice (in content and timing) relating to changes referred to in this Section 1(e) as Provider or its Affiliates would furnish to its own Affiliates respecting such changes.

(f) Providers of Services . The selection of the personnel who will furnish the Services shall be made by Provider in its sole discretion, but with due consideration to providing the level of service required to be

provided hereunder (as set forth in Section 1(d) hereof and Schedule A hereto). In no event shall Provider or its Affiliates be required to hire additional individuals or to retain any specific individual in its employ to provide the Services hereunder. Recipient understands that, prior to the date of this Agreement, Provider or its Affiliates may have contracted with third-party vendors to provide services in connection with all or any portion of the Services to be provided hereunder. Provider reserves the right to continue in accordance with past practice in effect during the twelve (12) months preceding the Effective Date in the ordinary course of business to subcontract with third-party vendors to provide the Services; provided, however, that the fees for such Services shall not exceed the fees Recipient would have incurred for such Services had Provider not subcontracted with a third-party vendor to provide such Services.

(g) Information and Access to Premises. Recipient shall, and shall cause its Affiliates to, on a reasonably timely basis, (i) provide Provider and its Affiliates with such information and documentation as is reasonably requested by Provider and (ii) perform such actions and tasks, in each case, as may be reasonably requested by Provider to enable Provider to perform the Services in accordance with this Agreement. All personnel providing Services and the supervisors of such personnel will be granted access to Recipient's sites and systems as reasonably necessary or appropriate for them to fulfill their obligations hereunder; provided, however, that no person shall be required to remain at a site if conditions at such site present a hazard to such person's health or safety.

(h) Cooperation. Each Party hereto and its Affiliates shall cooperate with each other in connection with the performance of the Services hereunder; provided, however, that such cooperation shall not unreasonably disrupt the normal operations of Provider, the Recipient or their respective Affiliates.

(i) Data Ownership and Protection. During the Term, Provider shall retain possession of all data and records as required to enable Provider and its Affiliates to provide the Services as contemplated by this Agreement; provided, however, that Recipient shall own all of the data and records (i) provided by Recipient or its Affiliates, or created by or for Provider primarily on behalf of Recipient or its Affiliates, that are used by Provider or its Affiliates in relation to the provision of the Services hereunder and/or (ii) acquired by Recipient or its Affiliates pursuant to the Separation Agreement, in each case including, without limitation, employee information, customer information, product details and pricing information. All such data shall be provided by Provider as part of the Migration Services or as otherwise reasonably requested by Recipient.

Provider shall only process, use and store data, including personal data, which it may receive from the Recipient, while carrying out its duties under this Agreement, (a) in such a manner as is necessary to carry out those duties, (b) in accordance with all applicable privacy and data protection law obligations (including any applicable privacy policies of the Recipient) and (c) using appropriate technical and organizational security measures to prevent the unauthorized or unlawful processing of such personal data and/or the accidental loss, destruction, damage, alteration or disclosure of such personal data.

(j) Security. The Parties hereto shall use commercially reasonable efforts to ensure that Provider is able to maintain the level of security with respect to all of its facilities, networks and systems used in connection with the Services and all of the data contained therein as is maintained with respect to its facilities, networks and systems in the operation of its own businesses throughout the Term. Access to facilities, networks and systems by either of the Parties hereto or any Affiliate of either Party hereto in accordance with the terms of the Separation Agreement or Schedule A shall not be deemed to be a breach of the immediately preceding sentence. Recipient shall be entitled to choose an independent third-party to perform, at Recipient's expense, with reasonable advance written notice and with reasonable cooperation of Provider, audits of the data and physical, electronic and systems security procedures in effect at the locations where Provider is providing Services, which audits shall be of the type and conducted in a manner that is reasonable under the circumstances for the provision of Services on a transitional basis.

(k) Books and Records. Provider shall keep books and records of the Services provided and reasonable supporting documentation of all charges and expenses incurred in providing such Services and shall produce written

records that verify the same. Provider shall make such books and records and documentation (including financial data required for filings and audits, in either electronic or paper form) available to the Recipient upon reasonable written notice, during normal business hours and subject to compliance with Section 9 hereof.

(l) Representatives; Review Meetings .

i. In addition to the representatives of Provider and Recipient set forth in Schedule A with respect to each Service (the " Service Representatives "), Provider and Recipient shall each designate in writing to the other Party one representative (each a " Review Representative ") to act as a contact person with respect to all issues relating to the provision of the Services pursuant to this Agreement. To the extent an issue is not resolved by the Service Representatives or does not relate to a specific Service, the Review Representatives shall hold review meetings by telephone or in person, at times to be mutually agreed, to discuss any issues relating to such Service or the provision of the Services under this Agreement (" Review Meetings "). In the Review Meetings, the Review Representatives shall be responsible for discussing any problems identified in connection with the provision of the Services and, to the extent changes in the provision of the Services are agreed upon, for the implementation of such changes. The Review Representatives will mutually establish governance procedures for the Service Representatives to address and resolve issues and, if necessary, to escalate those issues to the Review Representatives for resolution in accordance with the terms of this Agreement. Each of Provider and Recipient shall have the right to, from time to time, change its Review Representative upon written notice to the other Party.

ii. In connection with the Information Technology Services (" IT Services "), Provider and Recipient shall each designate one to two senior Information Technology employees to participate on a steering committee (the " IT Steering Committee "). The IT Steering Committee will meet quarterly to provide overall guidance and direction as to the IT Services and the efforts to effectuate a smooth transition of the performance of IT Services from Provider to Recipient. Meetings will be facilitated by the Service Representatives designated by Provider and Recipient with respect to the IT Services. In the event of any dispute relating to the IT Services which cannot be resolved between the Service Representatives, such dispute will be elevated to the IT Steering Committee for resolution.

2. Local Agreements .

(a) With respect to any Services that are delivered in a particular country, Provider and Recipient may cause their respective Affiliates located in such country to enter into one or more local services agreements (each a " Local Agreement "), for the purpose of memorializing the implementation of this Agreement in that country, to address Services delivered locally in that country and payments for such Services. All Services shall be provided by Provider or its Affiliates, as applicable, pursuant to this Agreement or an executed Local Agreement. Unless and to the extent an individual Local Agreement expressly provides otherwise, each Local Agreement shall incorporate by reference the terms and conditions of this Agreement and shall not be construed as altering or superseding the rights and obligations of the Parties under this Agreement. In the event of any conflict between the terms of this Agreement and any Local Agreement, the provisions of this Agreement shall control.

(b) The Review Representatives (and/or their respective designees(s)) shall remain responsible for the administration of this Agreement and the individual Local Agreements on behalf of Provider and Recipient, respectively, and shall be the only Persons authorized to amend, modify, change, waive or discharge any rights and obligations under this Agreement on behalf of Provider and Recipient. No changes to any Local Agreement shall be made without the knowledge of the Review Representatives and the agreement of the local Provider Affiliate and local Recipient Affiliate in a written amendment to the Local Agreement.

(c) Recipient shall have the right to enforce this Agreement (including the terms of all Local Agreements) on behalf of each of its Affiliates that has entered into a Local Agreement, and to assert all rights and exercise and receive the benefits of all remedies (including Damages (as defined below)) of each such Affiliate, to the same extent as if Recipient were such Affiliate, subject to the limitations of liability applicable under this Agreement. Provider shall have the right to enforce this Agreement (including the terms of all Local Agreements)

on behalf of each Provider Affiliate that enters into a Local Agreement, and to assert all rights and exercise and receive the benefits of all remedies (including Damages) of each of its Affiliates, to the same extent as if Provider were such Affiliate, subject to the limitations of liability applicable under this Agreement.

3. Fees for Services .

(a) The fees or basis for the fees for the Services shall be as set forth in Schedule A ; provided , however , that, in the event the Effective Date does not fall on the first calendar day of a calendar month, the monthly fees set forth in Schedule A for any Services provided during such month shall be pro rated accordingly. In addition to the fees set forth in Schedule A , Recipient shall pay, or cause its Affiliates to pay, each calendar month an administrative fee equal to 5% of the aggregate amount of fees payable (for the avoidance of doubt, excluding any amounts paid pursuant to Section 3(d) of this Agreement) for Services to be performed in such month (the " Administrative Fee ").

For Services with fees determined on an hourly basis (the " Hourly Services "), Provider shall provide, or cause its Affiliates to provide, as applicable, within ten calendar days of the end of a calendar month, a written invoice specifying (i) the fees payable for the Hourly Services provided during the prior month and (ii) the corresponding Administrative Fee. For other Services, Provider shall provide, or cause its Affiliates to provide, as applicable, within ten calendar days of the beginning of a calendar month, a written invoice specifying (i) the fees payable for the Services to be performed during such month and (ii) the corresponding Administrative Fee. Recipient shall pay, or cause its Affiliates to pay, as applicable, each such invoice within thirty (30) days of the date of such invoice (any such day on which a payment amount is due, the " Due Date ").

In the event that Additional Services are added in accordance with Section 1(b) of this Agreement, Schedule A shall be amended as necessary to reflect the service fees with respect to such Services. All payments made pursuant to this Section 3 shall be made in local currency designated in Schedule A by wire transfer to an account at a financial institution designated in writing by Provider or its Affiliates, as applicable. Notwithstanding the foregoing, in the event Recipient disputes any amount on an invoice, Recipient shall notify Provider in writing within ten (10) business days after Recipient's receipt of such invoice and shall describe in detail the reason for disputing such amount, and will be entitled to withhold such amount during the pendency of the dispute. The provisions of Sections 11(i), 11(j) and 11(k) of this Agreement shall apply with respect to any disputed amount. Upon resolution of the Dispute (as defined below), to the extent Recipient owes Provider some or all of the amount withheld, it shall promptly pay such applicable amount to Provider.

(b) Any invoices not paid or the subject of a good faith dispute by the Due Date shall bear interest at a rate equal to the United States Federal Funds Rate plus 1.25%, calculated on the basis of the actual number of days elapsed, divided by 365, from the Due Date until the date payment is received in full by Provider.

(c) Provider shall, and shall cause its Affiliates to, cooperate and provide such information as reasonably requested by Recipient and provide such back-up therefor as reasonably requested by Recipient in connection therewith to the extent reasonably required to permit Recipient to review and evaluate the amounts set forth in any invoice and verify such amounts. If any such review reveals any overpayment by Recipient, Provider shall promptly refund the amount of such overpayment to Recipient.

(d) Recipient shall pay any one time set up charges and/or windup charges for the Services listed in Schedule A and, to the extent reasonable out-of-pocket expenses are incurred by Provider in connection with the performance of a Service and have been approved in writing by Recipient, shall promptly reimburse Provider for such costs.

(e) This Section 3 shall survive the expiration, termination or cancellation of this Agreement with respect to the Services performed pursuant to this Agreement for which Recipient has not yet paid.

4. Taxes. The amounts set forth for each Service on Schedule A do not include any federal, state, local or foreign sales, use, value added, goods and services, or other similar taxes (but, for the avoidance of doubt, excluding any taxes based upon or calculated by reference to income, receipts or capital or withholding taxes) sustained, incurred, or levied with respect to the sale, performance, provision or delivery of Services (the "Sales Taxes"), which such Sales Taxes will be separately stated on the relevant invoice to Recipient. Recipient shall pay all such Sales Taxes to Provider in accordance with Section 3(a). Except as otherwise required under applicable Law, Provider shall be solely responsible for payment of all such Sales Taxes to the applicable Governmental Authority and for timely withholding and remitting to the applicable Governmental Authority any employment, income or other taxes required to be withheld in respect of its employees related to the sale, performance, provision or delivery of Services (the "Withholding Taxes"). Except as otherwise required under applicable Law, Provider shall timely prepare and file all tax returns required to be filed with any Governmental Authority with respect to such Sales Taxes and Withholding Taxes and, in the case of value-added taxes, timely provide Recipient with valid value-added tax invoices in accordance with applicable Law. Notwithstanding the foregoing, in the case of all Sales Taxes, Recipient shall not be obligated to pay such Sales Taxes if and to the extent that Recipient has provided any valid exemption certificates or other applicable documentation that eliminate or reduce the obligation to collect and/or pay such Sales Taxes.

5. Term and Termination of Agreement.

(a) This Agreement shall commence on the Effective Date and shall terminate on the earlier to occur of (i) the close of business on the latest Applicable Termination Date specified in Schedule A with respect to any Service hereunder and (ii) the close of business on the two year anniversary of the Effective Date, unless earlier terminated in accordance with any other express provision of this Agreement or by written agreement of the Parties (the "Term").

(b) The obligation of the Provider and its Affiliates to provide any Service hereunder shall cease on the earliest to occur of (i) the last day of the Term and (ii) the Applicable Termination Date specified in Schedule A with respect to such Service. If the provision by Provider of one Service (the "Underlying Service") is necessary in order to enable Provider to provide any other Services (the "Dependent Services") as set forth in Schedule A, Recipient may not terminate the Underlying Service without also canceling all applicable Dependent Services.

6. Force Majeure.

(a) A Party will be excused from performing hereunder (except for the performance of financial obligations for the Services provided) and will not be liable in damages or otherwise when and to the extent its performance is delayed or prevented by any circumstance beyond its reasonable control and not due to its willful misconduct or negligence (a "Force Majeure"), including, without limitation, the following: natural disaster; fires; floods; earthquakes; storms; unusual weather conditions; explosions; terrorist act or war; accidents; breakdowns of machinery or equipment; inability to obtain equipment, fuel or other materials; labor shortages, slowdowns, strikes, lockouts or other disputes; public disorder, riots or other civil disturbances; or voluntary or involuntary compliance with any Law, order, official recommendation or request of any Governmental Authority.

(b) If the performance of any obligation hereunder is sought to be excused by reason of a Force Majeure, the affected Party shall promptly notify the other Party in writing of the Force Majeure, the anticipated extent of the delayed or prevented performance and the steps it will take to remedy the situation. The Party so affected shall use commercially reasonable efforts to cure or remedy such cause of non-performance in a timely manner; provided, however, that it shall not be required to make any concession or grant any demand or request to settle any strike or other labor dispute. In no event will the affected Party be obligated to procure individuals from other sources to enable it to perform its obligations hereunder. At the option of Recipient, the term of any Service affected by a Force Majeure shall be tolled until such Service is resumed in accordance with the standards set forth in Section 1(d)(i) of this Agreement; provided, however, that this Agreement shall terminate no later than on the close of business on the latest Applicable Termination Date.

7. Limitation of Liability; Indemnity .

(a) Determination of the suitability of any Services furnished hereunder for the use contemplated by Recipient is the sole responsibility of Recipient, and neither Provider nor its Affiliates will have any responsibility in connection therewith. Subject to Sections 1(d)(i) and 7(d), Recipient assumes all risk and liability for loss, damage or injury to persons or property arising out of such Services, however used, and Provider and its Affiliates shall in no event be liable to Recipient or its Affiliates or those claiming by, through or under Recipient or its Affiliates (including employees, agents, customers, subtenants, contractors and other invitees) for any damage, including, without limitation, personal or property damage, suffered by any of them, directly or indirectly, as a result of any Services provided hereunder, regardless of whether due or alleged to be due to the negligence of Provider or its Affiliates, except to the extent such damage is occasioned by the bad faith, willful misconduct, fraud or gross negligence of Provider or its Affiliates or the willful breach of this Agreement by Provider.

(b) NONE OF PROVIDER, RECIPIENT OR ANY OF THEIR RESPECTIVE AFFILIATES SHALL, UNDER ANY CIRCUMSTANCES, BE LIABLE FOR ANY LOST PROFITS, INDIRECT, INCIDENTAL, CONSEQUENTIAL, SPECIAL OR PUNITIVE DAMAGES OF ANY KIND WHETHER OR NOT BASED ON CONTRACT, TORT, WARRANTY CLAIMS OR OTHERWISE, IN CONNECTION WITH THIS AGREEMENT OR ANY OF THE SERVICES PROVIDED HEREUNDER (OTHER THAN ANY PUNITIVE OR CONSEQUENTIAL DAMAGES FOR WHICH PROVIDER INDEMNITEE (AS DEFINED BELOW) OR RECIPIENT INDEMNITEE (AS DEFINED BELOW) IS FOUND LIABLE THROUGH THE FINAL RESOLUTION OF AN UNAFFILIATED THIRD-PARTY CLAIM), WHETHER CAUSED BY BREACH OF THIS AGREEMENT, NEGLIGENCE OR OTHERWISE; PROVIDED , HOWEVER , THAT THE FEES FOR SERVICES HEREUNDER AND PROVIDER'S RIGHT THERETO SHALL NOT BE DEEMED LOST PROFITS, INDIRECT, INCIDENTAL, CONSEQUENTIAL, SPECIAL OR PUNITIVE IN NATURE.

(c) Recipient shall indemnify, defend and hold harmless Provider and its Affiliates and their respective officers, directors, employees, agents, advisors or representatives (each a " Provider Indemnitee ") from and against all costs, judgments, awards, claims, suits, liabilities, damages, losses, penalties and other expenses of any kind or nature (whether absolute, accrued, contingent or other) suffered by any of them arising from or in connection with this Agreement or the Services provided hereunder, regardless of the legal basis of liability or legal or equitable principle involved, including reasonable attorneys' fees and expenses of investigation (which fees and expenses shall be paid as incurred) (collectively, the " Damages "); provided , however , that such indemnity shall not apply for the benefit of a Provider Indemnitee if it is ultimately found through settlement or by final, non-appealable order that such Provider Indemnitee's actions constituted gross negligence, fraud, bad faith, willful misconduct or willful breach of this Agreement.

(d) Provider shall indemnify, defend and hold harmless Recipient and its Affiliates and their respective officers, directors, employees, agents, advisors or representatives (each a " Recipient Indemnitee ") from and against all Damages, solely to the extent that it is ultimately found through settlement or by final, non-appealable order that Provider's actions in respect of such damages constituted gross negligence, fraud, bad faith, willful misconduct or willful breach of this Agreement.

(e) Any Actions relating to indemnification under this Section 7 shall be conducted in accordance with the procedures as set forth in Section 6.05 and Section 6.06 of the Separation Agreement.

(f) Nothing contained in this Section 7 shall limit or alter the obligation of either Party to indemnify the other Party pursuant to the Separation Agreement or any Ancillary Agreement; provided , however , that no Party shall obtain duplicative recoveries. For the avoidance of doubt, the provisions of Article 6 of the Separation Agreement shall not constitute the sole and exclusive remedy in respect of Damages arising from or in connection with this Agreement or the Services.

(g) The provisions of this Section 7 shall survive the expiration, termination or cancellation of this Agreement and shall be enforceable to the fullest extent permitted by law or in equity.

8. Remedies for Default .

(a) If a Party:

i. defaults in the payment of any indebtedness hereunder to the other Party (other than amounts that are the subject of an unresolved Dispute) and fails to remedy such breach within thirty (30) business days of written notice of such default from the non-defaulting Party;

ii. commits a breach of any other provision of this Agreement in any material respect and fails to remedy such breach within forty-five (45) business days of written notice of such breach from the non-defaulting Party (or such longer period if a cure not capable of being completed within such forty-five (45) business day period has been commenced and is being diligently pursued); or

iii. voluntarily files, or involuntarily has filed against it (which filing is undismissed within sixty (60) days of such involuntary filing), any bankruptcy, receivership, insolvency or reorganization proceeding;

then in any such event the other Party will have the right, in addition to any other rights and remedies it may have hereunder, to suspend the provision or receipt of Services hereunder or to terminate this Agreement if such delay or default substantially impairs the value of the entire Agreement to the non-defaulting Party.

9. Confidentiality . Each Party hereby acknowledges that confidential Information of such Party or members of its Group may be exposed to employees and agents of the other Party or its Group as a result of the activities contemplated by this Agreement. Each Party agrees, on behalf of itself and its Affiliates, that such Party's obligation to use and keep confidential such Information of the other Party or its Group shall be governed by Sections 7.01(c) and 7.08 of the Separation Agreement.

10. Ownership of Intellectual Property .

(a) Except as otherwise expressly provided in this Agreement, the Separation Agreement or the other Ancillary Agreements (as defined in the Separation Agreement), each of the Parties hereto and their respective Affiliates shall retain all right, title and interest in and to their respective Intellectual Property, including any and all improvements, modifications, derivative works, additions or enhancements thereof. No license or right, express or implied, is granted under this Agreement by either Party or such Party's Affiliates in or to their respective Intellectual Property, except that, solely to the extent required for the provision or receipt of the Services in accordance with this Agreement, each Party (" Licensor "), for itself and on behalf of its subsidiaries, hereby grants to the other (" Licensee ") (and the Licensee's subsidiaries) a non-exclusive, revocable (solely as expressly provided in this Agreement), non-transferable, non-sublicensable (except to third parties as required for the provision or receipt of Services, but not for their own independent use), royalty-free, worldwide license during the Term to use such Intellectual Property of the Licensor in connection with this Agreement, but only to the extent and for the duration necessary for the Licensee to provide or receive the applicable Service under this Agreement. Upon the expiration of such term, or the earlier termination of such Service in accordance with this Agreement, the license to the relevant Intellectual Property will terminate; *provided* , that all licenses granted hereunder shall terminate immediately upon the expiration or earlier termination of this Agreement in accordance with the terms hereof. Upon the expiration or termination of this Agreement or an applicable Service, the Licensee shall cease use of the Licensor's Intellectual Property and shall return or destroy at the Licensor's request all Intellectual Property provided in connection with this Agreement. The foregoing license is subject to any licenses granted by others with respect to Intellectual Property not owned by the Parties hereto or their respective Affiliates.

(b) Subject to the limited license granted in Section 10(a), in the event that any Intellectual Property is created, developed, written or authored by a Party hereto in connection with the performance or receipt of the Services by such Party, all right, title and interest throughout the world in and to all such Intellectual Property shall vest solely in such Party unconditionally and immediately upon such Intellectual Property having been created, developed, written or authored, unless the Parties hereto agree otherwise in writing.

(c) In the event that any Intellectual Property is created, developed, written or authored by a Party hereto or any of its Affiliates in connection with the performance or receipt of the Services by such Party in accordance with this Agreement, such Party hereby grants to the Party hereto that did not create, develop, write or author such Intellectual Property, and its Affiliates, a limited, nonexclusive, nontransferable, irrevocable, royalty-free license (without the right to sublicense except as expressly provided herein), to use, subsequent to the Term, any Intellectual Property developed for and used in connection with Services provided under this Agreement. The Party hereto that did not create, develop, write or author such Intellectual Property shall be entitled to grant sublicenses of the license granted pursuant to this Section 10(c) for the benefit of itself and its Affiliates to their vendors, contractors, subcontractors and other similar third-party service providers solely to the extent necessary for such third parties to perform services for such Party and its Affiliates.

(d) To the extent title to any Intellectual Property that is the subject of Section 10(b), vests, by operation of Law, in the Party hereto or an Affiliate of the Party hereto that did not create, develop, write or author such Intellectual Property, such Party or Affiliate of the Party hereby assigns to the other Party or its designated Affiliate all right, title and interest in such Intellectual Property and agrees to provide such assistance and execute such documents as such other Party may reasonably request to vest in such Party all right, title and interest in such Intellectual Property.

11. Miscellaneous .

(a) All notices or other communications hereunder shall be deemed to have been duly given and made if in writing and if served by personal delivery upon the Party for whom it is intended, if delivered by certified mail, return receipt requested, or by an internationally recognized courier service, or if sent by facsimile, *provided* that the facsimile is promptly confirmed by written confirmation thereof to the Person at the address set forth below, or such other address as may be designated in writing hereafter, in the same manner, by such Person:

If to Provider or any of its Affiliates:

ASHLAND GLOBAL HOLDINGS INC.
50 E. RiverCenter Blvd.
Covington, KY 41011
Attn: Peter J. Ganz, Esq.
e-mail: PGanz@ashland.com

with a copy to:

Cravath, Swaine & Moore LLP
Worldwide Plaza
825 Eighth Avenue
New York, NY 10019
Attn: Susan Webster and Thomas E. Dunn
e-mail: SWebster@cravath.com, TDunn@cravath.com
Facsimile: (212) 474-3700

If to Recipient or any of its Affiliates, to:

VALVOLINE INC.
3499 Blazer Parkway
Lexington, KY 40509
Attn: Julie M. O'Daniel, Esq.
e-mail: JMODaniel@valvoline.com

(b) Any provision of this Agreement may be amended or waived if, and only if, such amendment or waiver is in writing and signed, in the case of an amendment, by Recipient and Provider or, in the case of a waiver, by the Party against whom the waiver is to be effective. No failure or delay by any Party in exercising any right, power or privilege hereunder shall operate as a waiver thereof nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or privilege.

(c) Neither this Agreement nor any of the rights, interests or obligations under this Agreement shall be assigned, in whole or in part, by operation of Law or otherwise by either Party without the prior written consent of the other Party. Any purported assignment without such consent shall be void. Subject to the preceding sentences, this Agreement will be binding upon, inure to the benefit of, and be enforceable by, the Parties and their respective successors and assigns. Notwithstanding the foregoing, either Party may assign this Agreement without consent in connection with (a) a merger transaction in which such Party is not the surviving entity and the surviving entity acquires or assumes all or substantially all of such Party's Assets, or (b) the sale of all or substantially all of such Party's Assets; provided , however , that the assignee expressly assumes in writing all of the obligations of the assigning Party under this Agreement, and the assigning Party provides written notice and evidence of such assignment and assumption to the non-assigning Party. No assignment permitted by this Section 11(c) shall release the assigning Party from liability for the full performance of its obligations under this Agreement.

(d) Except to the extent provided by Section 7 hereof, the provisions of this Agreement are solely for the benefit of the Parties hereto and are not intended to confer upon any person except the Parties hereto any rights or remedies hereunder.

(e) This Agreement, including Schedule A , comprises the entire agreement between the Parties hereto with respect to the subject matter hereof and supersedes all prior agreements and understandings, oral or written, with respect to such matters, except for (i) the Separation Agreement, (ii) any Local Agreements, (iii) the Ancillary Agreements, and (iv) any written agreement of the Parties that expressly provides that it is not superseded by this Agreement.

(f) Any obligation of any Party to any other Party under this Agreement, which obligation is performed, satisfied or fulfilled by an Affiliate of such Party, shall be deemed to have been performed, satisfied or fulfilled by such Party.

(g) This Agreement shall inure to the benefit of and be binding upon the Parties hereto and their respective successors and permitted assigns. Nothing in this Agreement, express or implied, is intended to confer upon any Person other than Recipient, Provider or their successors or permitted assigns, any rights or remedies under or by reason of this Agreement.

(h) This Agreement shall be governed by, and construed in accordance with, the Laws of the State of New York, regardless of the Laws that might otherwise govern under applicable principles of conflicts of Laws thereof. Each Party irrevocably consents to the exclusive jurisdiction, forum and venue of the Commercial Division of the Supreme Court of the State of New York, New York County and the United States District Court for the Southern District of New York over any and all claims, disputes, controversies or disagreements between the Parties or any of their respective Subsidiaries, Affiliates, successors and assigns under or related to this Agreement or any document executed pursuant to this Agreement or any of the transactions contemplated hereby or thereby.

(i) Prior to initiating any legal action in accordance with Section 11(h), any dispute, controversy or claim arising out of, relating to or in connection with this Agreement, or the breach, termination, or validity thereof

(“ Dispute ”), shall be resolved by submitting such Dispute first to the relevant Service Representative of each Party hereto, and such Service Representatives shall seek to resolve such Dispute through informal good faith negotiation. In the event that any dispute among the Parties hereto relating to the Services or this Agreement is not resolved by such Service Representatives within ten (10) business days after the claiming Party verbally notifies the other Party of the Dispute (during which time the Service Representatives shall meet in person or by telephone as often as reasonably necessary to attempt to resolve the Dispute), such Service Representatives shall escalate the dispute to the Review Representatives for resolution. In the event the Review Representatives fail to meet or, if they meet, fail to resolve the Dispute within an additional ten (10) business days, then the claiming Party will provide the other Party with a written “ Notice of Dispute ”, describing (i) the issues in dispute and such Party’s position thereon, (ii) a summary of the evidence and arguments supporting such Party’s positions, (iii) a summary of the negotiations that have taken place to date, and (iv) the name and title of the senior executives or their respective designees who will represent each Party. The senior executives or their respective designees designated in such Notice of Dispute shall meet in person or by telephone as often as reasonably necessary to resolve the Dispute and shall confer in a good faith effort to resolve the Dispute. If such senior executives or their respective designees decline to meet within the allotted time or fail to resolve the Dispute within twenty (20) business days after receipt of the Notice of Dispute, then either Party may, if the dispute does not relate to or arise out of Section 3(a), subject to Sections 11(h) and 11(p), pursue any legal remedy available to it hereunder or under law, or if the Dispute relates to or arises out of Section 3(a), pursue the remedy set forth in Section 11(j).

(j) If any Dispute relates to or arises out of Section 3(a), either Party may promptly submit the disputed invoice to an independent third-party (the “Arbitrator”), selected by the mutual agreement of the Parties hereto or, if the Parties hereto fail to agree on such third-party within ten (10) days of receipt by either Party of a demand for arbitration, at the request of either Party, a third-party shall be appointed by the American Arbitration Association (“ AAA ”) using the listing, striking and ranking method in the Expedited Procedures of the Commercial Arbitration Rules of the AAA then in effect (the “ Rules ”), for resolution. The Arbitrator shall be engaged solely to determine whether the disputed invoice has been properly rendered and reflects amounts due and owing in accordance with the terms of this Agreement. The arbitration shall be held in accordance with the Rules, except as modified herein. Any time period contained herein or in the Rules may be extended by mutual agreement of the Parties or by the Arbitrator for good cause shown. The arbitration shall be held in New York. Each Party shall submit its position in writing to the Arbitrator within 10 days of the appointment of the Arbitrator. Within thirty (30) days after receipt of such submissions, the Arbitrator shall make a final written determination and award of the amounts due under the disputed invoice, and such determination and award shall be final, conclusive and binding upon the Parties hereto, and may be entered and enforced in any court having jurisdiction. All fees and disbursements of the Arbitrator shall be paid by the Party that is unsuccessful in such arbitration.

(k) A Party’s failure to comply with Sections 11(i) and 11(j) shall constitute cause for dismissal without prejudice of any legal proceeding.

(l) This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, and all of which shall constitute one and the same agreement. Delivery of an executed counterpart of a signature page of this Agreement by facsimile or other electronic imaging means shall be effective as delivery of a manually executed counterpart of this Agreement.

(m) The heading references herein are for convenience purposes only, do not constitute a part of this Agreement, and shall not be deemed to limit or affect any of the provisions hereof.

(n) If any provision of this Agreement or the application thereof to any Person or circumstance is determined by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions hereof, or the application of such provision to Persons or circumstances or in jurisdictions other than those as to which it has been held invalid or unenforceable, shall remain in full force and effect and shall in no way be affected, impaired or invalidated thereby, so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner materially adverse to either Party. Upon any such determination, any such provision, to the extent determined to be invalid, void or unenforceable, shall be deemed replaced by a provision that such

court determines is valid and enforceable and that comes closest to expressing the intention of the invalid, void or unenforceable provision.

(o) The English language shall be the definitive and controlling text of this Agreement, notwithstanding the translation of this Agreement into any other language.

(p) EACH PARTY HEREBY WAIVES TO THE FULLEST EXTENT PERMITTED BY LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT TO ANY LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS AGREEMENT. EACH PARTY (I) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (II) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION 11(P).

(q) It is expressly understood that the relationship between the Parties hereto is that of independent contractors and nothing contained herein shall be deemed to create a joint venture, partnership or other relationship. Neither Party has the authority to bind the other to any third person or otherwise to act in any way as the representative of the other, unless otherwise expressly agreed to in writing signed by both Parties hereto.

(r) Nothing in this Agreement (including any breach hereof) shall affect the obligations of Provider and Recipient under the Separation Agreement. In the case of any conflict or inconsistency between the Separation Agreement and this Agreement, the terms of the Separation Agreement shall govern and control.

(s) The provisions of this Section 11 shall survive the expiration, termination or cancellation of this Agreement.

[*Remainder of Page Intentionally Left Blank*]

IN WITNESS WHEREOF , the Parties have caused this Transition Services Agreement to be executed by their duly authorized representatives.

ASHLAND GLOBAL HOLDINGS INC.

by

/s/ Peter J. Ganz

Name: Peter J. Ganz

Title: Senior Vice President, General Counsel, and Secretary

VALVOLINE INC.

by

/s/ Julie O'Daniel

Name: Julie O'Daniel

Title: General Counsel and Corporate Secretary

[Signature Page to Transition Services Agreement]

EXHIBIT 10.17

Execution Version

Reverse Transition Services Agreement

REVERSE TRANSITION SERVICES AGREEMENT (this " Agreement ") dated as of September 22, 2016 and effective as of September 28, 2016, (the " Effective Date ") by and between Valvoline Inc. (" Provider "), a Kentucky corporation, and Ashland Global Holdings Inc. (" Recipient "), a Delaware corporation and parent of Ashland LLC. Capitalized terms used herein but not otherwise defined shall have the meanings assigned to them in the Separation Agreement dated as of September 22, 2016 (the " Separation Agreement "), by and between Recipient and Provider.

BACKGROUND

WHEREAS the board of directors of Ashland Inc. (as predecessor to Ashland LLC, a Kentucky limited liability company (" Ashland LLC ")) has determined to separate Ashland LLC into two independent, publicly traded companies, Recipient and Provider;

WHEREAS in connection with the Separation, Ashland LLC has become a wholly owned subsidiary of Recipient and, prior to the conversion to a limited liability company, the shareholders of Ashland Inc. have received shares of Recipient Common Stock in exchange for their Ashland Inc. shares;

WHEREAS Recipient and Provider have entered the Separation Agreement, which sets forth, among other things, the assets, liabilities, rights and obligations of Provider and Recipient for purposes of effecting the Separation; and

WHEREAS, in connection with the transactions contemplated by the Separation Agreement and in order to ensure a smooth transition following the Separation, Recipient and certain of its Affiliates have requested Provider and certain of its Affiliates to provide certain services to Recipient and its Affiliates for a period following the date hereof, and Provider has agreed to provide, or cause certain of its Affiliates to provide, such services, on the terms and subject to the conditions set forth in this Agreement.

NOW, THEREFORE, in consideration of the mutual agreements, provisions and covenants contained in this Agreement, the Parties, intending to be legally bound, hereby agree as follows:

TERMS

1. Services .

(a) Furnishing of Services . During the Term (as defined below), Provider agrees to provide to Recipient and its Affiliates, or cause certain of its Affiliates to provide to Recipient and its Affiliates, the services specifically identified in, and in accordance with, Schedule A (each a " Service " and collectively, the " Services "). Recipient agrees to purchase, and cause its Affiliates to purchase, the Services in accordance with the terms of this Agreement.

(b) Additional Services . During the Term, Recipient may request that Provider provide services that are not specifically identified in Schedule A and not otherwise provided for under any other agreement between Provider and Recipient (each such service, an " Additional Service "). Provider shall consider any such request in good faith and, if Provider agrees to provide or cause such Additional Services to be provided, such Additional Services shall be provided on terms mutually agreed by the Parties in good faith and the Parties shall amend the

provisions of Schedule A so that Schedule A includes the Additional Services. Any such Additional Services shall be deemed to be Services for all purposes of this Agreement.

(c) Migration Services . The Parties acknowledge the transitional nature of the Services and agree to cooperate in good faith to effectuate a smooth transition of the Services from Provider to Recipient. Provider shall, and shall use commercially reasonable efforts to cause any third-party provider of Services to, assist Recipient in connection with the transition from the performance of Services by Provider and its Affiliates to the performance of such Services by Recipient, which may include assistance with the transfer of records, migration of historical data, the transition of any such Service from the hardware, software, network and telecommunications equipment and internet-related information technology infrastructure (" Internal IT Systems ") of Provider to the Internal IT Systems of Recipient and cooperation with and assistance to any third-party consultants engaged by Recipient in connection with such transition (" Migration Services "), taking into account the need to minimize the cost of such migration and the disruption to the ongoing business activities of the Parties hereto and their Affiliates. The internal planning of the Migration Services by Provider and its Affiliates and Migration Services shall be provided to Recipient as set forth on Schedule A . Any such Migration Services shall be deemed to be Services for all purposes of this Agreement.

(d) Scope of Services; Standard of Care .

i. Provider shall perform, or shall cause its Affiliates to perform, all Services to the same standard of care, quality and professionalism as if they were being performed for Provider, and in any event with at least the same level of care, quality and professionalism as such Services were provided to Ashland's specialty ingredients and performance materials businesses, as applicable, during the twelve (12) months preceding the Effective Date.

ii. In connection with providing the Services, Provider and its Affiliates shall not be required to perform, or refrain from taking, any actions that would result in any breach or violation of any license, lease or other agreement to which Provider or any of its Affiliates is a Party, or any Law; provided , however , that Provider will use commercially reasonable efforts, at the sole cost of Recipient, to obtain any third-party consents required to provide the Services to Recipient; provided , further that Provider and its Affiliates shall not be required to pay any consideration therefor, or to commence, defend or participate in any litigation or offer or grant any accommodation (financial or otherwise) to any third-party in connection therewith. Until such consents are obtained, Provider will use commercially reasonable efforts, to arrange for an alternative method of delivering the relevant Services that does not violate any applicable Law. Recipient shall bear the costs for such alternative methods of delivering the relevant services.

iii. Except as otherwise provided in this Section 1(d), the Services to be provided under this Agreement are furnished as is, where is, with all faults, and without representation, warranty or condition of any kind, express or implied, including any representation, warranty or condition of noninfringement, merchantability, satisfactory quality, fitness for any particular purpose, absence of errors or absence of interruptions.

iv. Except as otherwise provided in Section 11(c) hereof, neither Provider nor any of its Affiliates will be required to perform any of the Services for the benefit of any person other than Recipient and its Affiliates.

(e) Changes to Services . Provider or its Affiliates may make changes from time to time in the manner of performing the Services if Provider or its Affiliates are making similar changes in performing similar services for Provider and its Affiliates; provided , however , that prior to Provider or its Affiliates modifying in any material and adverse manner the service level or manner of performing a Service, Provider or its Affiliates, as applicable, shall furnish to Recipient substantially the same notice (in content and timing) relating to changes referred to in this Section 1(e) as Provider or its Affiliates would furnish to its own Affiliates respecting such changes.

(f) Providers of Services . The selection of the personnel who will furnish the Services shall be made by Provider in its sole discretion, but with due consideration to providing the level of service required to be

provided hereunder (as set forth in Section 1(d) hereof and Schedule A hereto). In no event shall Provider or its Affiliates be required to hire additional individuals or to retain any specific individual in its employ to provide the Services hereunder. Recipient understands that, prior to the date of this Agreement, Provider or its Affiliates may have contracted with third-party vendors to provide services in connection with all or any portion of the Services to be provided hereunder. Provider reserves the right to continue in accordance with past practice in effect during the twelve (12) months preceding the Effective Date in the ordinary course of business to subcontract with third-party vendors to provide the Services; provided, however, that the fees for such Services shall not exceed the fees Recipient would have incurred for such Services had Provider not subcontracted with a third-party vendor to provide such Services.

(g) Information and Access to Premises. Recipient shall, and shall cause its Affiliates to, on a reasonably timely basis, (i) provide Provider and its Affiliates with such information and documentation as is reasonably requested by Provider and (ii) perform such actions and tasks, in each case, as may be reasonably requested by Provider to enable Provider to perform the Services in accordance with this Agreement. All personnel providing Services and the supervisors of such personnel will be granted access to Recipient's sites and systems as reasonably necessary or appropriate for them to fulfill their obligations hereunder; provided, however, that no person shall be required to remain at a site if conditions at such site present a hazard to such person's health or safety.

(h) Cooperation. Each Party hereto and its Affiliates shall cooperate with each other in connection with the performance of the Services hereunder; provided, however, that such cooperation shall not unreasonably disrupt the normal operations of Provider, the Recipient or their respective Affiliates.

(i) Data Ownership and Protection. During the Term, Provider shall retain possession of all data and records as required to enable Provider and its Affiliates to provide the Services as contemplated by this Agreement; provided, however, that Recipient shall own all of the data and records (i) provided by Recipient or its Affiliates, or created by or for Provider primarily on behalf of Recipient or its Affiliates, that are used by Provider or its Affiliates in relation to the provision of the Services hereunder and/or (ii) acquired by Recipient or its Affiliates pursuant to the Separation Agreement, in each case including, without limitation, employee information, customer information, product details and pricing information. All such data shall be provided by Provider as part of the Migration Services or as otherwise reasonably requested by Recipient.

Provider shall only process, use and store data, including personal data, which it may receive from the Recipient, while carrying out its duties under this Agreement, (a) in such a manner as is necessary to carry out those duties, (b) in accordance with all applicable privacy and data protection law obligations (including any applicable privacy policies of the Recipient) and (c) using appropriate technical and organizational security measures to prevent the unauthorized or unlawful processing of such personal data and/or the accidental loss, destruction, damage, alteration or disclosure of such personal data.

(j) Security. The Parties hereto shall use commercially reasonable efforts to ensure that Provider is able to maintain the level of security with respect to all of its facilities, networks and systems used in connection with the Services and all of the data contained therein as is maintained with respect to its facilities, networks and systems in the operation of its own businesses throughout the Term. Access to facilities, networks and systems by either of the Parties hereto or any Affiliate of either Party hereto in accordance with the terms of the Separation Agreement or Schedule A shall not be deemed to be a breach of the immediately preceding sentence. Recipient shall be entitled to choose an independent third-party to perform, at Recipient's expense, with reasonable advance written notice and with reasonable cooperation of Provider, audits of the data and physical, electronic and systems security procedures in effect at the locations where Provider is providing Services, which audits shall be of the type and conducted in a manner that is reasonable under the circumstances for the provision of Services on a transitional basis.

(k) Books and Records. Provider shall keep books and records of the Services provided and reasonable supporting documentation of all charges and expenses incurred in providing such Services and shall produce written

records that verify the same. Provider shall make such books and records and documentation (including financial data required for filings and audits, in either electronic or paper form) available to the Recipient upon reasonable written notice, during normal business hours and subject to compliance with Section 9 hereof.

(l) Representatives; Review Meetings .

i. In addition to the representatives of Provider and Recipient set forth in Schedule A with respect to each Service (the " Service Representatives "), Provider and Recipient shall each designate in writing to the other Party one representative (each a " Review Representative ") to act as a contact person with respect to all issues relating to the provision of the Services pursuant to this Agreement. To the extent an issue is not resolved by the Service Representatives or does not relate to a specific Service, the Review Representatives shall hold review meetings by telephone or in person, at times to be mutually agreed, to discuss any issues relating to such Service or the provision of the Services under this Agreement (" Review Meetings "). In the Review Meetings, the Review Representatives shall be responsible for discussing any problems identified in connection with the provision of the Services and, to the extent changes in the provision of the Services are agreed upon, for the implementation of such changes. The Review Representatives will mutually establish governance procedures for the Service Representatives to address and resolve issues and, if necessary, to escalate those issues to the Review Representatives for resolution in accordance with the terms of this Agreement. Each of Provider and Recipient shall have the right to, from time to time, change its Review Representative upon written notice to the other Party.

ii. In connection with the Information Technology Services (" IT Services "), Provider and Recipient shall each designate one to two senior Information Technology employees to participate on a steering committee (the " IT Steering Committee "). The IT Steering Committee will meet quarterly to provide overall guidance and direction as to the IT Services and the efforts to effectuate a smooth transition of the performance of IT Services from Provider to Recipient. Meetings will be facilitated by the Service Representatives designated by Provider and Recipient with respect to the IT Services. In the event of any dispute relating to the IT Services which cannot be resolved between the Service Representatives, such dispute will be elevated to the IT Steering Committee for resolution.

2. Local Agreements .

(a) With respect to any Services that are delivered in a particular country, Provider and Recipient may cause their respective Affiliates located in such country to enter into one or more local services agreements (each a " Local Agreement "), for the purpose of memorializing the implementation of this Agreement in that country, to address Services delivered locally in that country and payments for such Services. All Services shall be provided by Provider or its Affiliates, as applicable, pursuant to this Agreement or an executed Local Agreement. Unless and to the extent an individual Local Agreement expressly provides otherwise, each Local Agreement shall incorporate by reference the terms and conditions of this Agreement and shall not be construed as altering or superseding the rights and obligations of the Parties under this Agreement. In the event of any conflict between the terms of this Agreement and any Local Agreement, the provisions of this Agreement shall control.

(b) The Review Representatives (and/or their respective designees(s)) shall remain responsible for the administration of this Agreement and the individual Local Agreements on behalf of Provider and Recipient, respectively, and shall be the only Persons authorized to amend, modify, change, waive or discharge any rights and obligations under this Agreement on behalf of Provider and Recipient. No changes to any Local Agreement shall be made without the knowledge of the Review Representatives and the agreement of the local Provider Affiliate and local Recipient Affiliate in a written amendment to the Local Agreement.

(c) Recipient shall have the right to enforce this Agreement (including the terms of all Local Agreements) on behalf of each of its Affiliates that has entered into a Local Agreement, and to assert all rights and exercise and receive the benefits of all remedies (including Damages (as defined below)) of each such Affiliate, to the same extent as if Recipient were such Affiliate, subject to the limitations of liability applicable under this Agreement. Provider shall have the right to enforce this Agreement (including the terms of all Local Agreements)

on behalf of each Provider Affiliate that enters into a Local Agreement, and to assert all rights and exercise and receive the benefits of all remedies (including Damages) of each of its Affiliates, to the same extent as if Provider were such Affiliate, subject to the limitations of liability applicable under this Agreement.

3. Fees for Services .

(a) The fees or basis for the fees for the Services shall be as set forth in Schedule A ; provided , however , that, in the event the Effective Date does not fall on the first calendar day of a calendar month, the monthly fees set forth in Schedule A for any Services provided during such month shall be pro rated accordingly. In addition to the fees set forth in Schedule A , Recipient shall pay, or cause its Affiliates to pay, each calendar month an administrative fee equal to 5% of the aggregate amount of fees payable (for the avoidance of doubt, excluding any amounts paid pursuant to Section 3(d) of this Agreement) for Services to be performed in such month (the " Administrative Fee ").

For Services with fees determined on an hourly basis (the " Hourly Services "), Provider shall provide, or cause its Affiliates to provide, as applicable, within ten calendar days of the end of a calendar month, a written invoice specifying (i) the fees payable for the Hourly Services provided during the prior month and (ii) the corresponding Administrative Fee. For other Services, Provider shall provide, or cause its Affiliates to provide, as applicable, within ten calendar days of the beginning of a calendar month, a written invoice specifying (i) the fees payable for the Services to be performed during such month and (ii) the corresponding Administrative Fee. Recipient shall pay, or cause its Affiliates to pay, as applicable, each such invoice within thirty (30) days of the date of such invoice (any such day on which a payment amount is due, the " Due Date ").

In the event that Additional Services are added in accordance with Section 1(b) of this Agreement, Schedule A shall be amended as necessary to reflect the service fees with respect to such Services. All payments made pursuant to this Section 3 shall be made in local currency designated in Schedule A by wire transfer to an account at a financial institution designated in writing by Provider or its Affiliates, as applicable. Notwithstanding the foregoing, in the event Recipient disputes any amount on an invoice, Recipient shall notify Provider in writing within ten (10) business days after Recipient's receipt of such invoice and shall describe in detail the reason for disputing such amount, and will be entitled to withhold such amount during the pendency of the dispute. The provisions of Sections 11(i), 11(j) and 11(k) of this Agreement shall apply with respect to any disputed amount. Upon resolution of the Dispute (as defined below), to the extent Recipient owes Provider some or all of the amount withheld, it shall promptly pay such applicable amount to Provider.

(b) Any invoices not paid or the subject of a good faith dispute by the Due Date shall bear interest at a rate equal to the United States Federal Funds Rate plus 1.25%, calculated on the basis of the actual number of days elapsed, divided by 365, from the Due Date until the date payment is received in full by Provider.

(c) Provider shall, and shall cause its Affiliates to, cooperate and provide such information as reasonably requested by Recipient and provide such back-up therefor as reasonably requested by Recipient in connection therewith to the extent reasonably required to permit Recipient to review and evaluate the amounts set forth in any invoice and verify such amounts. If any such review reveals any overpayment by Recipient, Provider shall promptly refund the amount of such overpayment to Recipient.

(d) Recipient shall pay any one time set up charges and/or windup charges for the Services listed in Schedule A and to the extent reasonable out-of-pocket expenses are incurred by Provider in connection with the performance of a Service and have been approved in writing by Recipient, shall promptly reimburse Provider for such costs.

(e) This Section 3 shall survive the expiration, termination or cancellation of this Agreement with respect to the Services performed pursuant to this Agreement for which Recipient has not yet paid.

4. Taxes. The amounts set forth for each Service on Schedule A do not include any federal, state, local or foreign sales, use, value added, goods and services, or other similar taxes (but, for the avoidance of doubt, excluding any taxes based upon or calculated by reference to income, receipts or capital or withholding taxes) sustained, incurred, or levied with respect to the sale, performance, provision or delivery of Services (the "Sales Taxes"), which such Sales Taxes will be separately stated on the relevant invoice to Recipient. Recipient shall pay all such Sales Taxes to Provider in accordance with Section 3(a). Except as otherwise required under applicable Law, Provider shall be solely responsible for payment of all such Sales Taxes to the applicable Governmental Authority and for timely withholding and remitting to the applicable Governmental Authority any employment, income or other taxes required to be withheld in respect of its employees related to the sale, performance, provision or delivery of Services (the "Withholding Taxes"). Except as otherwise required under applicable Law, Provider shall timely prepare and file all tax returns required to be filed with any Governmental Authority with respect to such Sales Taxes and Withholding Taxes and, in the case of value-added taxes, timely provide Recipient with valid value-added tax invoices in accordance with applicable Law. Notwithstanding the foregoing, in the case of all Sales Taxes, Recipient shall not be obligated to pay such Sales Taxes if and to the extent that Recipient has provided any valid exemption certificates or other applicable documentation that eliminate or reduce the obligation to collect and/or pay such Sales Taxes.

5. Term and Termination of Agreement.

(a) This Agreement shall commence on the Effective Date and shall terminate on the earlier to occur of (i) the close of business on the latest Applicable Termination Date specified in Schedule A with respect to any Service hereunder and (ii) the close of business on the two year anniversary of the Effective Date, unless earlier terminated in accordance with any other express provision of this Agreement or by written agreement of the Parties (the "Term").

(b) The obligation of the Provider and its Affiliates to provide any Service hereunder shall cease on the earliest to occur of (i) the last day of the Term and (ii) the Applicable Termination Date specified in Schedule A with respect to such Service. If the provision by Provider of one Service (the "Underlying Service") is necessary in order to enable Provider to provide any other Services (the "Dependent Services") as set forth in Schedule A, Recipient may not terminate the Underlying Service without also canceling all applicable Dependent Services.

6. Force Majeure.

(a) A Party will be excused from performing hereunder (except for the performance of financial obligations for the Services provided) and will not be liable in damages or otherwise when and to the extent its performance is delayed or prevented by any circumstance beyond its reasonable control and not due to its willful misconduct or negligence (a "Force Majeure"), including, without limitation, the following: natural disaster; fires; floods; earthquakes; storms; unusual weather conditions; explosions; terrorist act or war; accidents; breakdowns of machinery or equipment; inability to obtain equipment, fuel or other materials; labor shortages, slowdowns, strikes, lockouts or other disputes; public disorder, riots or other civil disturbances; or voluntary or involuntary compliance with any Law, order, official recommendation or request of any Governmental Authority.

(b) If the performance of any obligation hereunder is sought to be excused by reason of a Force Majeure, the affected Party shall promptly notify the other Party in writing of the Force Majeure, the anticipated extent of the delayed or prevented performance and the steps it will take to remedy the situation. The Party so affected shall use commercially reasonable efforts to cure or remedy such cause of non-performance in a timely manner; provided, however, that it shall not be required to make any concession or grant any demand or request to settle any strike or other labor dispute. In no event will the affected Party be obligated to procure individuals from other sources to enable it to perform its obligations hereunder. At the option of Recipient, the term of any Service affected by a Force Majeure shall be tolled until such Service is resumed in accordance with the standards set forth in Section 1(d)(i) of this Agreement; provided, however, that this Agreement shall terminate no later than on the close of business on the latest Applicable Termination Date.

7. Limitation of Liability; Indemnity .

(a) Determination of the suitability of any Services furnished hereunder for the use contemplated by Recipient is the sole responsibility of Recipient, and neither Provider nor its Affiliates will have any responsibility in connection therewith. Subject to Sections 1(d)(i) and 7(d), Recipient assumes all risk and liability for loss, damage or injury to persons or property arising out of such Services, however used, and Provider and its Affiliates shall in no event be liable to Recipient or its Affiliates or those claiming by, through or under Recipient or its Affiliates (including employees, agents, customers, subtenants, contractors and other invitees) for any damage, including, without limitation, personal or property damage, suffered by any of them, directly or indirectly, as a result of any Services provided hereunder, regardless of whether due or alleged to be due to the negligence of Provider or its Affiliates, except to the extent such damage is occasioned by the bad faith, willful misconduct, fraud or gross negligence of Provider or its Affiliates or the willful breach of this Agreement by Provider.

(b) NONE OF PROVIDER, RECIPIENT OR ANY OF THEIR RESPECTIVE AFFILIATES SHALL, UNDER ANY CIRCUMSTANCES, BE LIABLE FOR ANY LOST PROFITS, INDIRECT, INCIDENTAL, CONSEQUENTIAL, SPECIAL OR PUNITIVE DAMAGES OF ANY KIND WHETHER OR NOT BASED ON CONTRACT, TORT, WARRANTY CLAIMS OR OTHERWISE, IN CONNECTION WITH THIS AGREEMENT OR ANY OF THE SERVICES PROVIDED HEREUNDER (OTHER THAN ANY PUNITIVE OR CONSEQUENTIAL DAMAGES FOR WHICH PROVIDER INDEMNITEE (AS DEFINED BELOW) OR RECIPIENT INDEMNITEE (AS DEFINED BELOW) IS FOUND LIABLE THROUGH THE FINAL RESOLUTION OF AN UNAFFILIATED THIRD-PARTY CLAIM, WHETHER CAUSED BY BREACH OF THIS AGREEMENT, NEGLIGENCE OR OTHERWISE; PROVIDED , HOWEVER , THAT THE FEES FOR SERVICES HEREUNDER AND PROVIDER'S RIGHT THERETO SHALL NOT BE DEEMED LOST PROFITS, INDIRECT, INCIDENTAL, CONSEQUENTIAL, SPECIAL OR PUNITIVE IN NATURE.

(c) Recipient shall indemnify, defend and hold harmless Provider and its Affiliates and their respective officers, directors, employees, agents, advisors or representatives (each a " Provider Indemnitee ") from and against all costs, judgments, awards, claims, suits, liabilities, damages, losses, penalties and other expenses of any kind or nature (whether absolute, accrued, contingent or other) suffered by any of them arising from or in connection with this Agreement or the Services provided hereunder, regardless of the legal basis of liability or legal or equitable principle involved, including reasonable attorneys' fees and expenses of investigation (which fees and expenses shall be paid as incurred) (collectively, the " Damages "); provided , however , that such indemnity shall not apply for the benefit of a Provider Indemnitee if it is ultimately found through settlement or by final, non-appealable order that such Provider Indemnitee's actions constituted gross negligence, fraud, bad faith, willful misconduct or willful breach of this Agreement.

(d) Provider shall indemnify, defend and hold harmless Recipient and its Affiliates and their respective officers, directors, employees, agents, advisors or representatives (each a " Recipient Indemnitee ") from and against all Damages, solely to the extent that it is ultimately found through settlement or by final, non-appealable order that Provider's actions in respect of such damages constituted gross negligence, fraud, bad faith, willful misconduct or willful breach of this Agreement.

(e) Any Actions relating to indemnification under this Section 7 shall be conducted in accordance with the procedures as set forth in Section 6.05 and Section 6.06 of the Separation Agreement.

(f) Nothing contained in this Section 7 shall limit or alter the obligation of either Party to indemnify the other Party pursuant to the Separation Agreement or any Ancillary Agreement; provided , however , that no Party shall obtain duplicative recoveries. For the avoidance of doubt, the provisions of Article 6 of the Separation Agreement shall not constitute the sole and exclusive remedy in respect of Damages arising from or in connection with this Agreement or the Services.

(g) The provisions of this Section 7 shall survive the expiration, termination or cancellation of this Agreement and shall be enforceable to the fullest extent permitted by law or in equity.

8. Remedies for Default .

(a) If a Party:

i. defaults in the payment of any indebtedness hereunder to the other Party (other than amounts that are the subject of an unresolved Dispute) and fails to remedy such breach within thirty (30) business days of written notice of such default from the non-defaulting Party;

ii. commits a breach of any other provision of this Agreement in any material respect and fails to remedy such breach within forty-five (45) business days of written notice of such breach from the non-defaulting Party (or such longer period if a cure not capable of being completed within such forty-five (45) business day period has been commenced and is being diligently pursued); or

iii. voluntarily files, or involuntarily has filed against it (which filing is undismissed within sixty (60) days of such involuntary filing), any bankruptcy, receivership, insolvency or reorganization proceeding;

then in any such event the other Party will have the right, in addition to any other rights and remedies it may have hereunder, to suspend the provision or receipt of Services hereunder or to terminate this Agreement if such delay or default substantially impairs the value of the entire Agreement to the non-defaulting Party.

9. Confidentiality . Each Party hereby acknowledges that confidential Information of such Party or members of its Group may be exposed to employees and agents of the other Party or its Group as a result of the activities contemplated by this Agreement. Each Party agrees, on behalf of itself and its Affiliates, that such Party's obligation to use and keep confidential such Information of the other Party or its Group shall be governed by Sections 7.01(c) and 7.08 of the Separation Agreement.

10. Ownership of Intellectual Property .

(a) Except as otherwise expressly provided in this Agreement, the Separation Agreement or the other Ancillary Agreements (as defined in the Separation Agreement), each of the Parties hereto and their respective Affiliates shall retain all right, title and interest in and to their respective Intellectual Property, including any and all improvements, modifications, derivative works, additions or enhancements thereof. No license or right, express or implied, is granted under this Agreement by either Party or such Party's Affiliates in or to their respective Intellectual Property, except that, solely to the extent required for the provision or receipt of the Services in accordance with this Agreement, each Party (" Licensor "), for itself and on behalf of its subsidiaries, hereby grants to the other (" Licensee ") (and the Licensee's subsidiaries) a non-exclusive, revocable (solely as expressly provided in this Agreement), non-transferable, non-sublicensable (except to third parties as required for the provision or receipt of Services, but not for their own independent use), royalty-free, worldwide license during the Term to use such Intellectual Property of the Licensor in connection with this Agreement, but only to the extent and for the duration necessary for the Licensee to provide or receive the applicable Service under this Agreement. Upon the expiration of such term, or the earlier termination of such Service in accordance with this Agreement, the license to the relevant Intellectual Property will terminate; *provided* , that all licenses granted hereunder shall terminate immediately upon the expiration or earlier termination of this Agreement in accordance with the terms hereof. Upon the expiration or termination of this Agreement or an applicable Service, the Licensee shall cease use of the Licensor's Intellectual Property and shall return or destroy at the Licensor's request all Intellectual Property provided in connection with this Agreement. The foregoing license is subject to any licenses granted by others with respect to Intellectual Property not owned by the Parties hereto or their respective Affiliates.

(b) Subject to the limited license granted in Section 10(a), in the event that any Intellectual Property is created, developed, written or authored by a Party hereto in connection with the performance or receipt of the Services by such Party, all right, title and interest throughout the world in and to all such Intellectual Property shall vest solely in such Party unconditionally and immediately upon such Intellectual Property having been created, developed, written or authored, unless the Parties hereto agree otherwise in writing.

(c) In the event that any Intellectual Property is created, developed, written or authored by a Party hereto or any of its Affiliates in connection with the performance or receipt of the Services by such Party in accordance with this Agreement, such Party hereby grants to the Party hereto that did not create, develop, write or author such Intellectual Property, and its Affiliates, a limited, nonexclusive, nontransferable, irrevocable, royalty-free license (without the right to sublicense except as expressly provided herein), to use, subsequent to the Term, any Intellectual Property developed for and used in connection with Services provided under this Agreement. The Party hereto that did not create, develop, write or author such Intellectual Property shall be entitled to grant sublicenses of the license granted pursuant to this Section 10(c) for the benefit of itself and its Affiliates to their vendors, contractors, subcontractors and other similar third-party service providers solely to the extent necessary for such third parties to perform services for such Party and its Affiliates.

(d) To the extent title to any Intellectual Property that is the subject of Section 10(b), vests, by operation of Law, in the Party hereto or an Affiliate of the Party hereto that did not create, develop, write or author such Intellectual Property, such Party or Affiliate of the Party hereby assigns to the other Party or its designated Affiliate all right, title and interest in such Intellectual Property and agrees to provide such assistance and execute such documents as such other Party may reasonably request to vest in such Party all right, title and interest in such Intellectual Property.

11. Miscellaneous .

(a) All notices or other communications hereunder shall be deemed to have been duly given and made if in writing and if served by personal delivery upon the Party for whom it is intended, if delivered by certified mail, return receipt requested, or by an internationally recognized courier service, or if sent by facsimile, *provided* that the facsimile is promptly confirmed by written confirmation thereof to the Person at the address set forth below, or such other address as may be designated in writing hereafter, in the same manner, by such Person:

If to Provider or any of its Affiliates, to:

VALVOLINE INC.
3499 Blazer Parkway
Lexington, KY 40509
Attn: Julie M. O'Daniel, Esq.
e-mail: JMODaniel@valvoline.com

If to Recipient or any of its Affiliates:

ASHLAND GLOBAL HOLDINGS INC.
50 E. RiverCenter Blvd.
Covington, KY 41011
Attn: Peter J. Ganz, Esq.
e-mail: PGanz@ashland.com

with a copy to:

Cravath, Swaine & Moore LLP
Worldwide Plaza
825 Eighth Avenue
New York, NY 10019
Attn: Susan Webster and Thomas E. Dunn
e-mail: SWebster@cravath.com, TDunn@cravath.com
Facsimile: (212) 474-3700

(b) Any provision of this Agreement may be amended or waived if, and only if, such amendment or waiver is in writing and signed, in the case of an amendment, by Recipient and Provider or, in the case of a waiver, by the Party against whom the waiver is to be effective. No failure or delay by any Party in exercising any right, power or privilege hereunder shall operate as a waiver thereof nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or privilege.

(c) Neither this Agreement nor any of the rights, interests or obligations under this Agreement shall be assigned, in whole or in part, by operation of Law or otherwise by either Party without the prior written consent of the other Party. Any purported assignment without such consent shall be void. Subject to the preceding sentences, this Agreement will be binding upon, inure to the benefit of, and be enforceable by, the Parties and their respective successors and assigns. Notwithstanding the foregoing, either Party may assign this Agreement without consent in connection with (a) a merger transaction in which such Party is not the surviving entity and the surviving entity acquires or assumes all or substantially all of such Party's Assets, or (b) the sale of all or substantially all of such Party's Assets; provided , however , that the assignee expressly assumes in writing all of the obligations of the assigning Party under this Agreement, and the assigning Party provides written notice and evidence of such assignment and assumption to the non-assigning Party. No assignment permitted by this Section 11(c) shall release the assigning Party from liability for the full performance of its obligations under this Agreement.

(d) Except to the extent provided by Section 7 hereof, the provisions of this Agreement are solely for the benefit of the Parties hereto and are not intended to confer upon any person except the Parties hereto any rights or remedies hereunder.

(e) This Agreement, including Schedule A , comprises the entire agreement between the Parties hereto with respect to the subject matter hereof and supersedes all prior agreements and understandings, oral or written, with respect to such matters, except for (i) the Separation Agreement, (ii) any Local Agreements, (iii) the Ancillary Agreements, and (iv) any written agreement of the Parties that expressly provides that it is not superseded by this Agreement.

(f) Any obligation of any Party to any other Party under this Agreement, which obligation is performed, satisfied or fulfilled by an Affiliate of such Party, shall be deemed to have been performed, satisfied or fulfilled by such Party.

(g) This Agreement shall inure to the benefit of and be binding upon the Parties hereto and their respective successors and permitted assigns. Nothing in this Agreement, express or implied, is intended to confer upon any Person other than Recipient, Provider or their successors or permitted assigns, any rights or remedies under or by reason of this Agreement.

(h) This Agreement shall be governed by, and construed in accordance with, the Laws of the State of New York, regardless of the Laws that might otherwise govern under applicable principles of conflicts of Laws thereof. Each Party irrevocably consents to the exclusive jurisdiction, forum and venue of the Commercial Division of the Supreme Court of the State of New York, New York County and the United States District Court for the Southern District of New York over any and all claims, disputes, controversies or disagreements between the Parties or any of their respective Subsidiaries, Affiliates, successors and assigns under or related to this Agreement or any document executed pursuant to this Agreement or any of the transactions contemplated hereby or thereby.

(i) Prior to initiating any legal action in accordance with Section 11(h), any dispute, controversy or claim arising out of, relating to or in connection with this Agreement, or the breach, termination, or validity thereof (" Dispute "), shall be resolved by submitting such Dispute first to the relevant Service Representative of each Party hereto, and such Service Representatives shall seek to resolve such Dispute through informal good faith negotiation. In the event that any dispute among the Parties hereto relating to the Services or this Agreement is not resolved by such Service Representatives within ten (10) business days after the claiming Party verbally notifies the other Party of the Dispute (during which time the Service Representatives shall meet in person or by telephone as often as reasonably necessary to attempt to resolve the Dispute), such Service Representatives shall escalate the dispute to

the Review Representatives for resolution. In the event the Review Representatives fail to meet or, if they meet, fail to resolve the Dispute within an additional ten (10) business days, then the claiming Party will provide the other Party with a written " Notice of Dispute ", describing (i) the issues in dispute and such Party's position thereon, (ii) a summary of the evidence and arguments supporting such Party's positions, (iii) a summary of the negotiations that have taken place to date, and (iv) the name and title of the senior executives or their respective designees who will represent each Party. The senior executives or their respective designees designated in such Notice of Dispute shall meet in person or by telephone as often as reasonably necessary to resolve the Dispute and shall confer in a good faith effort to resolve the Dispute. If such senior executives or their respective designees decline to meet within the allotted time or fail to resolve the Dispute within twenty (20) business days after receipt of the Notice of Dispute, then either Party may, if the dispute does not relate to or arise out of Section 3(a), subject to Sections 11(h) and 11(p), pursue any legal remedy available to it hereunder or under law, or if the Dispute relates to or arises out of Section 3(a), pursue the remedy set forth in Section 11(j).

(j) If any Dispute relates to or arises out of Section 3(a), either Party may promptly submit the disputed invoice to an independent third-party (the "Arbitrator"), selected by the mutual agreement of the Parties hereto or, if the Parties hereto fail to agree on such third-party within ten (10) days of receipt by either Party of a demand for arbitration, at the request of either Party, a third-party shall be appointed by the American Arbitration Association (" AAA ") using the listing, striking and ranking method in the Expedited Procedures of the Commercial Arbitration Rules of the AAA then in effect (the " Rules "), for resolution. The Arbitrator shall be engaged solely to determine whether the disputed invoice has been properly rendered and reflects amounts due and owing in accordance with the terms of this Agreement. The arbitration shall be held in accordance with the Rules, except as modified herein. Any time period contained herein or in the Rules may be extended by mutual agreement of the Parties or by the Arbitrator for good cause shown. The arbitration shall be held in New York. Each Party shall submit its position in writing to the Arbitrator within 10 days of the appointment of the Arbitrator. Within thirty (30) days after receipt of such submissions, the Arbitrator shall make a final written determination and award of the amounts due under the disputed invoice, and such determination and award shall be final, conclusive and binding upon the Parties hereto, and may be entered and enforced in any court having jurisdiction. All fees and disbursements of the Arbitrator shall be paid by the Party that is unsuccessful in such arbitration.

(k) A Party's failure to comply with Sections 11(i) and 11(j) shall constitute cause for dismissal without prejudice of any legal proceeding.

(l) This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, and all of which shall constitute one and the same agreement. Delivery of an executed counterpart of a signature page of this Agreement by facsimile or other electronic imaging means shall be effective as delivery of a manually executed counterpart of this Agreement.

(m) The heading references herein are for convenience purposes only, do not constitute a part of this Agreement, and shall not be deemed to limit or affect any of the provisions hereof.

(n) If any provision of this Agreement or the application thereof to any Person or circumstance is determined by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions hereof, or the application of such provision to Persons or circumstances or in jurisdictions other than those as to which it has been held invalid or unenforceable, shall remain in full force and effect and shall in no way be affected, impaired or invalidated thereby, so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner materially adverse to either Party. Upon any such determination, any such provision, to the extent determined to be invalid, void or unenforceable, shall be deemed replaced by a provision that such court determines is valid and enforceable and that comes closest to expressing the intention of the invalid, void or unenforceable provision.

(o) The English language shall be the definitive and controlling text of this Agreement, notwithstanding the translation of this Agreement into any other language.

(p) EACH PARTY HEREBY WAIVES TO THE FULLEST EXTENT PERMITTED BY LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT TO ANY LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS AGREEMENT. EACH PARTY (I) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (II) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION 11(P).

(q) It is expressly understood that the relationship between the Parties hereto is that of independent contractors and nothing contained herein shall be deemed to create a joint venture, partnership or other relationship. Neither Party has the authority to bind the other to any third person or otherwise to act in any way as the representative of the other, unless otherwise expressly agreed to in writing signed by both Parties hereto.

(r) Nothing in this Agreement (including any breach hereof) shall affect the obligations of Provider and Recipient under the Separation Agreement. In the case of any conflict or inconsistency between the Separation Agreement and this Agreement, the terms of the Separation Agreement shall govern and control.

(s) The provisions of this Section 11 shall survive the expiration, termination or cancellation of this Agreement.

[*Remainder of Page Intentionally Left Blank*]

IN WITNESS WHEREOF , the Parties have caused this Transition Services Agreement to be executed by their duly authorized representatives.

VALVOLINE INC.
by

/s/ Julie O'Daniel

Name: Julie O'Daniel
Title: General Counsel and Corporate Secretary

ASHLAND GLOBAL HOLDINGS INC.
by

/s/ Peter J. Ganz

Name: Peter J. Ganz
Title: Senior Vice President, General Counsel, and Secretary

EXHIBIT 10.18

EXECUTION COPY

TAX MATTERS AGREEMENT dated as of September 22, 2016 (this "Agreement") between ASHLAND GLOBAL HOLDINGS INC., a Delaware corporation ("Ashland Global"), and VALVOLINE INC., a Kentucky corporation ("Valvoline", collectively, the "Companies").

WHEREAS Ashland Global is the common parent of an affiliated group of corporations, within the meaning of Section 1504(a) of the Code, that has elected to file consolidated Federal income Tax Returns, and Valvoline is a member of that group;

WHEREAS, pursuant to the Separation Agreement, the Companies have effected or agreed to effect the Internal Transactions, Additional Pre-IPO Restructuring Transactions and Initial Public Offering;

WHEREAS, following the Initial Public Offering, pursuant to the Separation Agreement, Ashland Global intends to effect the Distribution;

WHEREAS the Companies intend each of the Internal Transactions, Additional Pre-IPO Restructuring Transactions, Initial Public Offering and Distribution (the "Transactions") to qualify for its Intended Tax Treatment; and

WHEREAS Valvoline will cease to be wholly owned, directly or indirectly, by Ashland Global following the Initial Public Offering and will cease to be a member of the Ashland Global Consolidated Group after the Distribution;

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained herein, Ashland Global and Valvoline hereby agree as follows:

ARTICLE I

Definitions

SECTION 1.01. Definition of Terms. The following terms shall have the following meanings (such meanings to apply equally to the singular and plural forms of the terms defined). Capitalized terms used but not defined in this Agreement shall have the meanings ascribed to them in the Separation Agreement. All section references are to this Agreement unless otherwise stated. All references to "includes" and "including" mean "includes without limitation" or "including without limitation", as the case may be.

"5% Acquisition Transaction" has the meaning set forth in Section 5.05(b).

" Actual Tax Return Amount" has the meaning set forth in Section 3.02(a)(i)(A).

"Agreement" has the meaning set forth in the preamble.

"Ancillary Agreement" means an Ancillary Agreement, as defined in the Separation Agreement, other than this Agreement.

"Ashland Global" has the meaning set forth in the preamble.

"Ashland Global Combined Return" has the meaning set forth in Section 2.01(b).

"Ashland Global Consolidated Group" means Ashland Global (or, for periods prior to the Ashland Merger, Ashland Inc., a Kentucky corporation) and the affiliated group of corporations, within the meaning of Section 1504(a) of the Code, of which Ashland Global (or Ashland Inc., as applicable) is the common parent.

"Ashland Global Consolidated Return" has the meaning set forth in Section 2.01(a).

"Ashland Global Tax Opinions" means the written opinions or memoranda, as applicable, of Cravath, Swaine & Moore LLP and Deloitte Tax LLP issued to Ashland Global, in form and substance satisfactory to Ashland Global in its sole discretion, as to the qualification of the steps of each Transaction for its Intended Tax Treatment.

"Ashland Global Tax Representations" means any representations made by Ashland Global in Representation Letters that serve as a basis for any Ashland Global Tax Opinion.

"Ashland Global Transaction Tax Percentage" means, with respect to any Transaction Tax, the fraction, expressed as a percentage, the numerator of which is the amount of such Transaction Tax allocated to Ashland Global pursuant to Section 4.03 and the denominator of which is the total amount of such Transaction Tax.

"Business Day" means any day on which the New York Stock Exchange, or its successor, is open for trading.

"Chemicals Business" means the business and operations of the Specialty Ingredients and Performance Materials business segments, as described in Ashland Inc.'s and/or Ashland Global's most recently filed (as of the date of this Agreement) Annual Report on Form 10-K or Quarterly Report on Form 10-Q.

"Clause (iii) Taxes" has the meaning set forth in Section 4.01(b)(iii).

"Companies" has the meaning set forth in the preamble.

"Consolidation Year" means any taxable period (or portion thereof) ending on or before the date on which Deconsolidation occurs.

"Deconsolidation" means that the Valvoline Consolidated Group ceases to be included in the Ashland Global Consolidated Group.

"Determination" means the final resolution of liability for any tax for any taxable period by or as a result of (i) a final and unappealable decision, judgment, decree or other order by any court of competent jurisdiction; (ii) a final settlement, compromise or other agreement with the relevant Taxing Authority, an agreement that constitutes a determination under Section 1313(a)(4) of the Code, an agreement contained in an IRS Form 870-AD, a closing agreement or accepted offer in compromise under Section 7121 or 7122 of the Code or a comparable agreement under state, local or foreign Law; (iii) the expiration of the applicable statute of limitations; or (iv) the payment of the tax by the party responsible for payment of that tax under Section 2.04 if Ashland Global and Valvoline agree that no action should be taken to recoup that payment.

"Excess Loss Account" means any excess loss account within the meaning of Section 1.1502-19 of the Regulations.

"Hypothetical Tax Return Amount" has the meaning set forth in Section 3.02(a)(i)(B).

"Indemnifying Party" means a Person that has any obligation to indemnify an Indemnitee pursuant to this Agreement, the Separation Agreement or any Ancillary Agreement.

"Indemnitee" means a Person entitled to indemnification by an Indemnifying Party pursuant to this Agreement, the Separation Agreement or any Ancillary Agreement.

"Intended Tax Treatment" means the tax treatment as specified in Schedule A.

"IRS" means the Internal Revenue Service.

"Legacy Tax Attribute" means any Tax Attribute in existence at the opening of the taxable period that begins on October 1, 2016.

"Market Capitalization" means (i) in the case of Valvoline, the product of (a) the mean of the daily volume-weighted average trading price per share of the common stock of Valvoline for each of the 20 consecutive trading days beginning on and following the first trading day following the Separation Date, as quoted by Bloomberg Financial Services through its "Volume at Price" function, rounded to the nearest whole cent, multiplied by (b) the mean of the number of common shares of Valvoline outstanding, on a fully diluted basis (calculated under the treasury stock method), on each of such 20 trading days, rounded to two decimal places, and (ii) in the case of Ashland Global, (a) the mean of the daily volume-weighted average trading price per share of the common stock of Ashland Global for each of the 20 consecutive trading days beginning on and following the first trading day following the Separation Date, as quoted by Bloomberg Financial Services through its "Volume at Price" function, rounded to the nearest whole cent, multiplied by (b) the mean of the number of common shares of Ashland Global outstanding, on a fully diluted basis (calculated under the treasury stock method), on each of such 20 trading days, rounded to two decimal places, less (c) the mean volume-weighted average trading price per share of the common stock of Valvoline, as calculated pursuant to clause (i)(a) of this definition, multiplied by the mean of the number of common shares of Valvoline held by Ashland Global on each of the trading days described in clause (i)(b) of this definition, rounded to two decimal places.

"Post-consolidation Year" means any taxable period (or portion thereof) beginning on or after the date on which Deconsolidation occurs.

"Pro Forma Return Start Date" means the first day of the calendar month closest to the Separation Date; provided, however, that if the Separation Date falls exactly in the middle of a calendar month, the Pro Forma Return Start Date means the first day of such calendar month.

"Pro Forma Valvoline Combined Return" has the meaning set forth in Section 2.05(a)(ii).

"Pro Forma Valvoline Consolidated Return" has the meaning set forth in Section 2.05(a)(i).

"Pro Forma Valvoline Returns" means the Pro Forma Valvoline Consolidated Returns and the Pro Forma Valvoline Combined Returns.

"Proportionate Share Factor" means (i) in the case of Ashland Global, the quotient, rounded to four decimal places, of the Market Capitalization of Ashland Global, divided by the sum of the Market Capitalization of each of Ashland Global and Valvoline and (ii) in the case of Valvoline, 1 minus the number computed in clause (i) of this definition.

"Proposed Acquisition Transaction" has the meaning set forth in Section 5.04(b)(i).

"Protective Section 336(e) Election" means, with respect to an entity, a protective election under Section 336(e) of the Code and Section 1.336-2(j) of the Regulations (and any similar provision of U.S. state or local Law) to treat the disposition of the Stock of such entity, pursuant to certain of the Transactions, as a deemed sale of the assets of such entity in accordance with Section 1.336-2(h) of the Regulations (or any similar provision of U.S. state or local Law).

"Records" has the meaning set forth in Section 7.03.

"Refund Recipient" has the meaning set forth in Section 4.05.

"Regulations" means the Treasury regulations promulgated under the Code or any successor Treasury regulations.

"Representation Letters" means the representation letters delivered in connection with the rendering by Tax Advisors of any opinions in connection with the Transactions.

"Return Items" means any item of income, gain, loss, deduction or credit.

"Ruling" means a private letter ruling (including any supplemental ruling) issued by the IRS in connection with the Transactions.

"Satisfactory Guidance" has the meaning set forth in Section 5.04(c)(ii).

"Separate Returns" has the meaning set forth in Section 2.01(c).

"Separation Agreement" means the Separation Agreement dated as of the date hereof by and between Ashland Global and Valvoline.

"Stock" means (i) all classes or series of stock or other equity interests and (ii) all other instruments properly treated as stock for U.S. Federal income tax purposes.

"Straddle Period Return" has the meaning set forth in Section 2.01(c)(ii).

"tax" means all taxes, assessments, duties or similar charges of any kind whatsoever, in the nature of a tax, whether direct or indirect, plus any interest, penalties, additional amounts or additions thereto.

"Tax Advisor" means a tax counsel or accountant of recognized national standing.

"Tax Attributes" means any carryovers or carrybacks of net operating losses, net capital losses, excess tax credits and any other similar tax attributes as determined for Federal, state, local or foreign tax purposes. For the avoidance of doubt, the existence or amount of basis and computations of previously taxed income and earnings and profits are not Tax Attributes.

"Tax Return" means any tax return, declaration, statement, report, form, estimate and information return relating to taxes, including any amendments thereto and any related or supporting information.

"Taxing Authority" means any governmental body charged with the determination, collection or imposition of taxes.

"Transaction Taxes" means all taxes arising as a result of or in connection with the Transactions and, if such taxes result from the failure of a Transaction to qualify for its Intended Tax Treatment, all reasonable out-of-pocket legal, accounting and other advisory and court fees incurred in connection with liability for such taxes.

"Transactions" has the meaning set forth in the recitals.

"Unqualified Tax Opinion" has the meaning set forth in Section 5.04(c)(iii).

"Valvoline" has the meaning set forth in the preamble.

"Valvoline Consolidated Group" means Valvoline and the affiliated group of corporations, within the meaning of Section 1504(a) of the Code, of which Valvoline would be the common parent if it were not included in the Ashland Global Consolidated Group.

"Valvoline Pro Forma Financial Statements" means the unaudited pro forma condensed combined financial statements contained in the IPO Registration Statement.

"Valvoline Pro Forma Tax Attributes" has the meaning set forth in Section 3.02(a)(i)(B)(2).

"Valvoline Tax Representations" means any representations made by Valvoline in Representation Letters that serve as a basis for any Ashland Global Tax Opinion.

ARTICLE II

Preparation and Filing of Tax Returns

SECTION 2.01. Filing of Returns. (a) Consolidated Returns. Ashland Global shall prepare and timely file (or cause to be prepared and timely filed) each Federal income Tax Return required to be filed on behalf of the Ashland Global Consolidated Group (an "Ashland Global Consolidated Return"). Ashland Global shall include the Valvoline Consolidated Group in such Tax Return if entitled to do so.

(b) Combined Returns. For each taxable year for which it is permissible to file a Tax Return on a consolidated, combined, unitary or similar basis (other than an Ashland Global Consolidated Return) that would include one or more members of the Valvoline Group and one or more members of the Ashland Global Group (an "Ashland Global Combined Return"), then the relevant member of the Ashland Global Group may, in its sole discretion but subject to applicable Law, determine whether to file such Ashland Global Combined Return and whether to include certain or all of the relevant members of the Valvoline Group in such Tax Return. Ashland Global shall prepare and timely file (or cause to be prepared and timely filed) any Ashland Global Combined Returns. Schedule B sets out a list of Ashland Global Combined Returns.

(c) Separate Returns. For all Tax Returns other than Ashland Global Consolidated Returns and Ashland Global Combined Returns ("Separate Returns"), Ashland Global shall prepare and timely file (or cause to be prepared and timely filed) any such Separate Return for a taxable period that (i) ends on or before the Pro Forma Return Start Date or (ii) begins before the Pro Forma Return Start Date and ends after the Pro Forma Return Start Date (a "Straddle Period Return"). For all other Separate Returns, Ashland Global and Valvoline shall prepare and timely file (or cause to be prepared and timely filed) any such Separate Return for one or more members of the Ashland Global Group or Valvoline Group, respectively. Schedule C sets out a list of Separate Returns that the parties presently intend will be prepared (or caused to be prepared) for members of the Valvoline Group.

SECTION 2.02. Preparing of Tax Returns . (a) Ashland Global-Prepared Tax Returns . To the extent that any Ashland Global Consolidated Return, Ashland Global Combined Return or Separate Return prepared (or caused to be prepared) by Ashland Global directly relates to matters for which Valvoline must indemnify the Ashland Global Group under Section 4.02 or to matters affecting a Pro Forma Valvoline Return or Separate Return prepared (or caused to be prepared) by Valvoline (including any refund or other Tax Attribute to which a member of the Valvoline Group is entitled), Ashland Global shall prepare (or cause to be prepared) the relevant portion of such Ashland Global Consolidated Return, Ashland Global Combined Return or Separate Return, as the case may be, on a basis consistent with past practice (except as required by applicable Law or as determined by Ashland Global). Ashland Global shall notify Valvoline of any such portions not prepared on a basis consistent with past practice.

(b) Valvoline-Prepared Tax Returns . To the extent that any Separate Return prepared (or caused to be prepared) by Valvoline directly relates to matters for which Ashland Global must indemnify the Valvoline Group under Section 4.01 or to matters affecting any Ashland Global Consolidated Return, Ashland Global Combined Return or Separate Return prepared (or caused to be prepared) by Ashland Global (including any refund or other Tax Attribute to which a member of the Ashland Global Group is entitled), Valvoline shall prepare (or cause to be prepared) the relevant portion of such Separate Return on a basis consistent with such Ashland Global Consolidated Return, Ashland Global Combined Return or Separate Return and with past practice (except as required by applicable Law), in each case subject to Section 2.07. Valvoline shall notify Ashland Global of any such portions not prepared on a basis consistent with any Ashland Global Consolidated Return, Ashland Global Combined Return or Separate Return prepared (or caused to be prepared) by Ashland Global or with past practice.

(c) Review of Tax Returns . The party responsible under Section 2.01 for preparing (or causing to be prepared) a Tax Return shall make such Tax Return or relevant portions thereof and related workpapers available for review by the other party at least 30 days prior to the due date (including any available extensions) for filing such Tax Return and shall consider the reasonable comments made by such other party, in each case to the extent (i) such Tax Return relates to taxes for which such other party may be liable or otherwise affects the preparation of Tax Returns prepared (or caused to be prepared) by such other party (including any Pro Forma Valvoline Return) or (i) adjustments to the amount of taxes reported on such Tax Return may affect the determination of taxes for which such other party may be liable. The parties shall attempt in good faith to resolve any issues arising out of the review of such Tax Returns.

SECTION 2.03. Consents and Elections . Ashland Global and Valvoline shall prepare, sign and timely file (or cause to be prepared, signed and timely filed) any consents, elections and other documents and take any other actions necessary or appropriate to effect the filing of the Tax Returns described in Section 2.01.

SECTION 2.04. Payment of Taxes . The party responsible under Section 2.01 for preparing (or causing to be prepared) a Tax Return shall timely pay (or cause to be paid) any taxes shown as due on that Tax Return to the relevant Taxing Authority or the party that files (or causes to be filed) that Tax Return, as applicable. The parties shall cooperate to ensure that such taxes are timely paid to the relevant Taxing Authority as required under applicable Law. The obligation to make these payments shall not affect the payor's right, if any, to receive payments under Section 2.05 or otherwise be indemnified with respect to that tax liability.

SECTION 2.05. Pro Forma Valvoline Returns

(a) Pro Forma Valvoline Returns in General . (i) For each taxable period (or portion thereof) that includes or begins after the Pro Forma Return Start Date in which the Valvoline Consolidated Group is included in an Ashland Global Consolidated Return, Valvoline shall prepare (or cause to be prepared) a pro forma Federal income Tax Return for the Valvoline Consolidated Group (a "Pro Forma Valvoline Consolidated Return "). Except as otherwise provided in this Section 2.05, the Pro Forma Valvoline Consolidated Return shall

be prepared as if Valvoline filed a consolidated return on behalf of the Valvoline Consolidated Group.

(ii) For each taxable period (or portion thereof) that includes or begins after the Pro Forma Return Start Date in which one or more members of the Valvoline Group is included in an Ashland Global Combined Return, Valvoline shall prepare (or cause to be prepared) a pro forma Tax Return for those members of the Valvoline Group (a "Pro Forma Valvoline Combined Return "). Except as otherwise provided in this Section 2.05, the Pro Forma Valvoline Combined Return shall be prepared as if the members of the Valvoline Group included in the Ashland Global Combined Return instead filed a single combined return.

(b) Preparation of the Pro Forma Valvoline Returns . Except as provided in Section 2.07, the Pro Forma Valvoline Returns shall be prepared in a manner consistent with all elections, positions and methods used in the relevant Tax Returns prepared (or caused to be prepared) by Ashland Global pursuant to Section 2.01 and in accordance with the principles set forth in Schedule D. Valvoline shall provide Ashland Global a reasonable opportunity to review any Pro Forma Valvoline Returns. Valvoline shall notify Ashland Global of any portions of such Pro Form Valvoline Returns not prepared on a basis consistent with a relevant Tax Return prepared (or caused to be prepared) by Ashland Global pursuant to Section 2.01.

(c) Payments with Respect to Pro Forma Valvoline Returns . Each Company shall make payments (including estimated payments) to the other Company with respect to any Pro Forma Valvoline Return as if (i) that Pro Forma Valvoline Return were actually required to be filed under the Laws of the applicable taxing jurisdiction and (i) Ashland Global were the relevant Taxing Authority of that taxing jurisdiction. In applying this Section 2.05(c), all Laws and regulations relating to timing and computation of payments and estimated payments, interest, penalties, additions to tax and additional amounts shall be applied.

SECTION 2.06. Recalculation of Pro Forma Valvoline Return for a Determination . If a Determination is made with respect to a Return Item, or an amended Tax Return is filed, for any taxable period for which a Pro Forma Valvoline Return is required to be prepared, a corresponding adjustment shall be made to the corresponding Return Items (if any) of the Pro Forma Valvoline Return for such taxable period. Within 15 days of being provided with written notice of any such adjustment, each Company shall make (or cause to be made) payments to the other Company, including interest and any other amounts determined under Section 2.05(c), as appropriate, reflecting such adjustment.

SECTION 2.07. Valvoline Tax Return Dispute Resolution . If Valvoline wishes to take a position (a) on either a Pro Forma Valvoline Return, or a Separate Return prepared (or caused to be prepared) by Valvoline, that is inconsistent with a position taken on a Tax Return prepared (or caused to be prepared) by Ashland Global pursuant to Section 2.01 or (b) on a Separate Return prepared (or caused to be prepared) by Valvoline that is inconsistent with past practice, then in each case, Valvoline may do so only if:

(i) (A) Ashland Global's position on such Tax Return (1) is inconsistent with past practice and (2) would result in an increased payment obligation by Valvoline or any of its Affiliates under Article II, obligate Valvoline to make an increased indemnity payment under Article IV, cause Valvoline or any of its Affiliates to incur any increased taxes for which it is not indemnified under this Agreement or adversely affect a refund or other Tax Attribute to which Valvoline or any of its Affiliates is entitled and (B) the position Valvoline wishes to take on such Pro Forma Valvoline Return or Separate Return prepared (or caused to be prepared) by Valvoline, as the case may be, is consistent with past practice and permitted by applicable Law; or

(ii) Valvoline obtains an opinion from a Tax Advisor that there is no substantial authority for Ashland Global's position on such Tax Return prepared (or caused to be prepared) by Ashland Global pursuant to Section 2.01 or past practice, as applicable, and that there is substantial authority for the position Valvoline wishes to take on such Pro Forma Valvoline Return or Separate Return prepared (or caused to be prepared) by Valvoline, as the case may be.

SECTION 2.08. Amendments . Each Company shall not (and shall cause its Affiliates not to) file, amend, withdraw, revoke or otherwise alter any Tax Return if doing so would reasonably be expected to (a) obligate the other Company to make an indemnity payment under Article IV, (b) cause the other Company or any of its Affiliates to incur any taxes for which it is not indemnified under this Agreement or (c) adversely affect a refund or other Tax Attribute to which the other Company or any of its Affiliates is entitled, in each case without the prior written consent of the other Company.

ARTICLE III

Post-consolidation Periods

SECTION 3.01. Post-consolidation Year Carrybacks . Valvoline shall (and shall cause members of the Valvoline Group to) waive, to the extent permitted under applicable Law, carrybacks of Tax Attributes from any Post-consolidation Year to any Consolidation Year unless such carryback does not have a material effect on Ashland Global (as determined by Ashland Global in its sole discretion). If any member of the Valvoline Group carries back a Tax Attribute from a Post-consolidation Year to a Consolidation Year, no payment shall be due from Ashland Global with respect to that carryback, regardless of whether such carryback is required by Law or permitted by Ashland Global.

SECTION 3.02. Tax Attributes . (a) Annual Payments . For each of the 5 taxable years after the date of Deconsolidation, Valvoline shall pay to Ashland Global the excess (if any) of the Hypothetical Tax Return Amount over the Actual Tax Return Amount, and Ashland Global shall pay to Valvoline the excess (if any) of the Actual Tax Return Amount over the Hypothetical Tax Return Amount.

(i) For purposes of this Agreement, (A) " Actual Tax Return Amount " means the aggregate, actual tax liability reported on all Tax Returns for such taxable year that Valvoline files with a Taxing Authority (including all Tax Returns of members of the Valvoline Group) and (B) "Hypothetical Tax Return Amount " means the aggregate tax liability that would have been reported on such Tax Returns if the relevant member of the Valvoline Group were (1) not able to utilize any Legacy Tax Attributes but (2) able to utilize (one time, without duplication) any Tax Attributes of the Valvoline Group (other than Legacy Tax Attributes) that were not utilized on a Pro Forma Valvoline Return but that Ashland Global utilized on a Tax Return ("Va lvoline Pro Forma Tax Attributes ").

(ii) The amount payable under this Section 3.02(a) shall be payable within 20 Business Days after the last Tax Return for such taxable year is filed by Valvoline; provided , however , that any amount payable by Ashland Global shall be due no sooner than 10 Business Days after receiving an invoice from Valvoline therefor.

(b) Lump Sum Settlement Payment . Within 20 Business Days after the later of the filing of Valvoline's (or its successor's) Annual Report on Form 10-K for the fifth fiscal year ending after the Distribution or Other Disposition, as the case may be, or the filing by Valvoline of the last Tax Return for the fifth taxable year after the date of Deconsolidation:

(i) Valvoline shall deliver to Ashland Global a statement setting forth (A) the amounts of remaining (1) Legacy Tax Attributes that are reflected (or would be reflected if Ashland Global were not entitled to the benefit of such Legacy Tax Attributes under this Agreement) in its audited balance sheet in such Annual Report on Form 10-K, net of any valuation allowance or any similar reserve (except to the extent such valuation allowance or similar reserve was established as a result of Ashland Global being entitled to the benefit of such Legacy Tax Attributes under this Agreement), and (2) Valvoline Pro Forma Tax Attributes that it reasonably expects the Valvoline Group

would be able to utilize on Tax Returns for future taxable periods if such Valvoline Pro Forma Tax Attributes were Tax Attributes of the Valvoline Group under then-existing applicable Law (or, if applicable, that are reflected in its audited balance sheet in such Annual Report on Form 10-K, net of any valuation allowance or any similar reserve), in each case, without duplication of any amounts attributable to Tax Attributes previously taken into account in computing any Hypothetical Tax Return Amount and (B) the taxable year in which it estimates such Legacy Tax Attributes or Valvoline Pro Forma Tax Attributes will be utilized, as the case may be, consistent with the workpapers or methodology used in preparing such audited balance sheet;

(ii) Valvoline shall separately compute the net present value of the tax benefit in respect of amounts described in each of clauses (A)(1) and (A)(2) of Section 3.02(b)(i) and the relevant taxable year described in clause (B) of Section 3.02(b)(i) using a discount rate equal to the interest rate described in Section 8.01; and

(iii) Valvoline shall pay to Ashland Global the excess (if any) of the net present value of such amounts described in such clause (A)(1) over the net present value of such amounts described in such clause (A)(2), and Ashland Global shall pay to Valvoline the excess (if any) of the net present value of such amounts described in such clause (A)(2) over the net present value of such amounts described in such clause (A)(1); provided , however , that any amount payable by Ashland Global shall be due no sooner than 10 Business Days after receiving an invoice from Valvoline therefor.

(a) Cooperation . Valvoline agrees to share any calculations, workpapers or relevant Tax Returns reasonably requested by Ashland Global in connection with matters related to this Section 3.02. The parties shall attempt in good faith to resolve any issues or disputes related to this Section 3.02.

ARTICLE IV

Indemnity

SECTION 4.01. Ashland Global Indemnity . Ashland Global shall indemnify the Valvoline Group and hold it harmless from:

(a) any taxes payable for a taxable period (or portion thereof) ending prior to the date of Deconsolidation (other than taxes that arise out of a contest, examination or audit by a Taxing Authority) with respect to a Tax Return required to be prepared (or caused to be prepared) by Ashland Global pursuant to Section 2.01;

(b) with respect to taxes payable for a taxable period (or portion thereof) ending prior to the date of Deconsolidation that arise out of a contest, examination or audit by a Taxing Authority:

(i) 100% of such taxes that are directly attributable to the Chemicals Business;

(ii) 100% of such taxes that are directly attributable to neither the Chemicals Business nor the Valvoline Business and are payable to a Taxing Authority other than a Taxing Authority of the United States or any state or political subdivision thereof or the District of Columbia; and

(iii) if such taxes are directly attributable to neither the Chemicals Business nor the Valvoline Business and are payable to a Taxing Authority of the United States or any state or political subdivision thereof or the District of Columbia (“Clause (iii) Taxes ”):

(A) 0% of all Clause (iii) Taxes until the aggregate amount of all Clause (iii) Taxes paid by any party hereto or any Affiliate thereof equals
$26 million; and

(B) 50% of all Clause (iii) Taxes thereafter;

in each case, as such taxes are attributed pursuant to Section 4.06;

(c) any taxes incurred as a result of any gain recognized pursuant to a gain recognition agreement entered into by any member of the Ashland Global Consolidated Group by reason of an action or failure to act on or after the Separation Date by any member of the Ashland Global Group in accordance with Section 1.367(a)-8 of the Regulations, excluding any gain required to be recognized as a result of Deconsolidation being a "triggering event" (within the meaning of those Regulations); and

(d) any Transaction Taxes allocated to Ashland Global pursuant to Section 4.03;

excluding, in each case, any tax for which Valvoline is responsible under Section 4.02.

SECTION 4.02. Valvoline Indemnity . In addition to payments pursuant to Section 2.05(c), Valvoline shall indemnify the Ashland Global Group and hold it harmless from:

(a) with respect to taxes payable for a taxable period (or portion thereof) ending prior to the Pro Forma Return Start Date that arise out of a contest, examination or audit by a Taxing Authority:

(i) 100% of such taxes that are directly attributable to the Valvoline Business; and

(ii) if such taxes are Clause (iii) Taxes:

(A) 100% of all Clause (iii) Taxes until the aggregate amount of all Clause (iii) Taxes paid by any party hereto or any Affiliate thereof equals
$26 million; and

(B) 50% of all Clause (iii) Taxes thereafter;

in each case, as such taxes are attributed pursuant to Section 4.06;

(b) any taxes payable with respect to a Straddle Period Return allocated to Valvoline pursuant to Section 4.08;

(c) if the Separation Date occurs prior to the Pro Forma Return Start Date, any taxes that arise from the Valvoline Group entering into or engaging in any action or transaction outside of the ordinary course of business on or after the Separation Date and prior to the Pro Forma Return Start Date;

(d) any taxes payable with respect to a Separate Return prepared (or caused to be prepared) by Valvoline pursuant to Section 2.01(c);

(e) any taxes incurred as a result of any gain recognized pursuant to a gain recognition agreement entered into by any member of the Ashland Global Consolidated Group by reason of an action or failure to act on or after the Separation Date by any member of the Valvoline Group in accordance with Section 1.367(a)-8 of the Regulations, excluding any gain required to be recognized as a result of Deconsolidation being a "triggering event" (within the meaning of those Regulations); and

(f) any Transaction Taxes allocated to Valvoline pursuant to Section 4.03.

SECTION 4.03. Allocation of Transaction Taxes . (a) Except as otherwise provided in this Section 4.03, all Transaction Taxes shall be allocated to (i) Ashland Global in an amount equal to such Transaction Taxes multiplied by the Proportionate Share Factor of Ashland Global and (ii) Valvoline in an amount equal to such Transaction Taxes multiplied by the Proportionate Share Factor of Valvoline.

(b) Any Transaction Taxes to the extent set forth in Schedule E shall be allocated in accordance with such schedule.

(c) Subject to Section 4.03(d), Transaction Taxes not allocated pursuant to Section 4.03(b) shall be allocated to a Company if such Transaction Taxes would not have been imposed but for:

(i) the failure of any of the Ashland Global Tax Representations, in the case of Ashland Global, and of any of the Valvoline Tax Representations, in the case of Valvoline, to be true when made;

(ii) the breach by such Company of any covenant herein or in the Separation Agreement or any Ancillary Agreement;

(iii) the application of Section 355(e) or 355(f) of the Code after the Separation Date as a result of any acquisition (or deemed acquisition) of Stock or assets of such Company or its Affiliates;

(iv) a determination that the Distribution was used principally as a device for the distribution of the earnings and profits within the meaning of Section 355(a)(1)(B) of the Code if such determination was based in whole or in part on any sale or exchange of the Stock of such Company; or

(v) any other act or omission by such Company or its Affiliates that it knows or reasonably should expect, after consultation with its Tax Advisor, could give rise to Transaction Taxes (except to the extent such act or omission is otherwise expressly required or permitted by this Agreement (other than under Section 5.04(c)), the Separation Agreement or any Ancillary Agreement).

(d) To the extent any Transaction Taxes described in Section 4.03(c) would be allocated to both Ashland Global and Valvoline, such Transaction Taxes shall be allocated between Ashland Global and Valvoline in proportion to the relative contribution of the members of the Ashland Global Group (and such members' Affiliates), on the one hand, and the members of the Valvoline Group (and such members' Affiliates and counterparties to any consummated Proposed Acquisition Transactions, if applicable), on the other hand, to the circumstances giving rise to such Transaction Taxes.

SECTION 4.04. Treatment of Indemnity Payments . (a) Character . Any payment made pursuant to this Agreement, the Separation Agreement or any Ancillary Agreement shall be treated for all tax purposes, if made by Valvoline to Ashland Global (or by or to their respective Affiliates), as a distribution from Valvoline to Ashland Global and, if made by Ashland Global to Valvoline (or by or to their respective Affiliates), as a contribution from Ashland Global to Valvoline. If such payment is made after the Distribution or Other Disposition, as the case may be, such distribution or contribution shall be treated as made immediately before the Distribution or Other Disposition, as the case may be, except to the extent otherwise required by Law.

(b) Net of Taxes . The amount of any indemnity payment made pursuant to this Agreement, the Separation Agreement or any Ancillary Agreement shall be
(i) increased to take account of any taxes imposed on any taxable income or gain to the Indemnitee with respect to such payment or the creation or increase of an Excess Loss Account caused by such payment (in each case,

including taxes imposed on payments of such additional amounts pursuant to this paragraph) and (ii) reduced to take account of the present value of any cash tax benefit reasonably likely to be realized (including with respect to any increase in the basis of any asset, but solely to the extent such increase in basis is depreciable or amortizable) by the Indemnitee arising from the incurrence or payment of the loss giving rise to such indemnity.

(c) A ssumed Tax Rate . For purposes of computing (i) amounts subject to indemnification under Section 4.01 or 4.02 and (ii) indemnity payments under
Section 4.04(b), each Person is assumed to pay tax at the maximum applicable tax rate.

(d) Timing of Indemnity Payments . Any amount payable under Section 4.01 or 4.02 shall be due within 10 Business Days after receiving an invoice from the other party therefor.

SECTION 4.05. Refunds after Indemnity Payments . If Ashland Global, Valvoline or any of their respective Affiliates receives any refund of any amounts for which the other Company has previously made an indemnity payment or with respect to taxes allocated to the other Company pursuant to Section 4.08 (the Company receiving, or whose Affiliate receives, such refund, a " Refund Recipient "), the Refund Recipient shall pay to the other Company the entire amount of the refund (net of any taxes imposed with respect to such refund) within 20 Business Days of receipt; provided , however , that the other Company, upon the request of the Refund Recipient, shall repay the amount paid to the other Company (plus any penalties, interest or other charges imposed by the relevant Taxing Authority) in the event the Refund Recipient or any of its Affiliates is required to repay such refund. Any tax credit, tax reduction or tax offset shall be treated as a refund for purposes of this Section 4.05 and shall be treated as received by the Refund Recipient (or one of its Affiliates) as and when applied (on a "with and without" basis) to reduce the cash tax liability of such Refund Recipient (or one of its Affiliates).

SECTION 4.06. Taxes Attributable to the Chemicals Business or Valvoline Business . For purposes of Sections 4.01(b) and 4.02(a), a tax shall be deemed directly attributable:

(a) to the Chemicals Business to the extent such tax (i) arises out of the profits before tax of the operations of the Chemicals Business or the results of the operations of the Chemicals Business that would have been reflected in unaudited pro forma condensed combined financial statements for the Chemicals Business had such financial statements been prepared for the same periods for which, and in accordance with similar principles under which, the Valvoline Pro Forma Financial Statements were prepared or (ii) would otherwise be attributable to the Chemicals Business under such principles;

(b) to the Valvoline Business to the extent such tax (i) arises out of the profits before tax of the operations of the Valvoline Business or the results of the operations that were reflected in the Valvoline Pro Forma Financial Statements (or is otherwise reflected in the Valvoline Pro Forma Financial Statements) or (ii) would otherwise be attributable to the Valvoline Business under the principles used to prepare the Valvoline Pro Forma Financial Statements; or

(c) to neither the Chemicals Business nor the Valvoline Business if such tax is described in Schedule F or is not otherwise deemed directly attributable to either business under Section 4.06(a)or 4.06(b).

Attribution shall be narrowly construed in uncertain or doubtful cases of attributing a tax to the Chemicals Business or Valvoline Business (i.e ., uncertain or doubtful cases shall generally be deemed directly attributable to neither business under Section 4.06(c)).

SECTION 4.07. Calculation of Market Capitalization . Within 10 Business Days following the period of time described in clause (i)(a) of the definition of "Market Capitalization", Ashland Global shall calculate, in its reasonable exercise of good faith, the Market Capitalization of each of Ashland Global and Valvoline and send to Valvoline its calculations thereof. Valvoline shall have 10 Business Days to review such calculations and provide comments to Ashland Global. The Market Capitalization thus agreed upon by the

parties shall be the Market Capitalizations of the Companies for all purposes of this Agreement. The parties shall attempt in good faith to resolve any issues or disputes related to this Section 4.07.

SECTION 4.08. Valvoline Straddle Period Taxes. Taxes attributable to any Straddle Period Return for one or more members of the Valvoline Group shall be allocated to Valvoline, except that:

(a) in the case of real, personal and intangible property taxes, there shall be allocated to Ashland Global an amount equal to the amount of such taxes multiplied by a fraction, the numerator of which is the number of days from the beginning of the taxable period of such Straddle Period Return through the close of business on the day prior to the Pro Forma Return Start Date, and the denominator of which is the total number of days in such taxable period; and

(b) in the case of all other taxes, there shall be allocated to Ashland Global an amount of such taxes as determined by closing the books of the relevant members of the Valvoline Group as of the close of business on the day prior to the Pro Forma Return Start Date.

For purposes of this Section 4.08, the taxable period of any partnership, passthrough entity or controlled foreign corporation (within the meaning of Section 957(a) of the Code or any comparable provision of state, local or foreign Law) in which a member of the Valvoline Group holds a beneficial interest shall be deemed to terminate on the close of business on the day prior to the Pro Forma Return Start Date.

ARTICLE V

Tax Matters Relating to the Distribution

SECTION 5.01. Mutual Representations. Each Company represents that as of the date of this Agreement:

(a) all information contained in its Representation Letters (and those delivered by its Affiliates) is true, correct and complete; and

(b) it has no plan or intention to take any action inconsistent with the qualification of the Transactions for the Intended Tax Treatment.

SECTION 5.02. Tax Opinions. The Companies shall use their best efforts to cause the Ashland Global Tax Opinions to be issued, including by executing any Representation Letters reasonably requested in connection with the Ashland Global Tax Opinions, provided that each Company shall have been provided with a reasonable opportunity to review, comment and consent to the content of any Representation Letter to be executed by it, such consent not to be unreasonably withheld.

SECTION 5.03. Mutual Covenants. Neither Company shall take or fail to take, or permit their respective Affiliates to take or fail to take, any action, if such action or omission would be inconsistent with its respective Representation Letters or cause any representation made in such Representation Letters to be untrue when made.

SECTION 5.04. Restricted Actions. (a) Subject to Section 5.04(b), from the date hereof until the first day after the 2-year anniversary of the Distribution (or if Ashland Global publicly announces that it has abandoned its plan to effect the Distribution, the first day after the 2-year anniversary of the date of the Valvoline- ChemCo Spin), Valvoline shall not (and shall not cause or permit any of its Affiliates to), in a single transaction or a series of transactions:

(i) cause or allow the Valvoline Consolidated Group to cease to be engaged in the applicable active trade or business (within the meaning of Section 355(b) of the Code and the Regulations thereunder) that formed the basis of the Ashland Global Tax Opinions;

(ii) liquidate or partially liquidate, by way of a merger, consolidation, conversion or otherwise (except as pursuant to the Separation Agreement);

(iii) sell or transfer 50% or more of the gross assets of the Valvoline Business or 50% or more of the consolidated gross assets of Valvoline (other than (A) sales, transfers or dispositions of assets in the ordinary course of business, (B) payments of cash to acquire assets from an unrelated Person in an arm's length transaction, (C) sales, transfers or dispositions of assets to a Person that is disregarded as an entity separate from the transferor for U.S. Federal income tax purposes or (D) any mandatory or optional repayments (or prepayments) of any indebtedness of Valvoline or any of its Subsidiaries for borrowed money that is evidenced by a bond, debenture, note, loan agreement or similar instrument);

(iv) redeem or otherwise repurchase (directly or indirectly) any Stock of Valvoline, except to the extent such redemptions or repurchases meet the following requirements: (A) there is a bona fide, non-tax business purpose for the repurchases of such Stock, (B) such Stock is widely held, (C) the repurchases of such Stock will be made on the open market and (D) the aggregate amount of repurchases of such Stock will be less than 20% of the total value of the outstanding Stock of Valvoline;

(v) enter into a Proposed Acquisition Transaction; or

(vi) take any affirmative action that permits a Proposed Acquisition Transaction to occur by means of an agreement to which it is not a party (including by (A) redeeming rights under a shareholder rights plan, (B) making a determination that a tender offer is a "permitted offer" under any such plan or otherwise causing any such plan to be inapplicable or neutralized with respect to any Proposed Acquisition Transaction or (C) approving any Proposed Acquisition Transaction, whether for purposes of Section 203 of the Delaware General Corporate Law or any similar corporate statute, any "fair price" or other provision of its charter or bylaws or otherwise).

(b) Definition of Proposed Acquisition Transaction . (i) For the purposes of this Agreement, "Proposed Acquisition Transaction " means a transaction or series of transactions (or any agreement, understanding or arrangement to enter into a transaction or series of transactions) as determined for purposes of Section 355(e) of the Code, in connection with which one or more Persons would (directly or indirectly) acquire, or have the right to acquire (including pursuant to an option, warrant or other conversion right), from any other Person or Persons, Stock of Valvoline that, when combined with any other acquisitions of the Stock of Valvoline that occur on or after the Initial Public Offering (but excluding any other acquisition that occurs in (A) the Initial Public Offering itself, (B) the Distribution or (C) any transaction that is excluded from the definition of Proposed Acquisition Transaction under Section 5.04(b)(ii)), comprises 10% or more of the value or the total combined voting power of all interests that are treated as outstanding equity in Valvoline for U.S. Federal income tax purposes immediately after such transaction or, in the case of a series of transactions, immediately after any transaction in such series. For this purpose, any recapitalization, repurchase or redemption of the Stock of, and any amendment to the certificate of incorporation (or other organizational documents) of, Valvoline shall be treated as an indirect acquisition of the Stock of Valvoline by any shareholder to the extent such shareholder's percentage interest in interests that are treated as outstanding equity in Valvoline for U.S. Federal income tax purposes increases by vote or value.

(ii) Notwithstanding Section 5.04(b)(i), a Proposed Acquisition Transaction shall not include (A) the adoption by Valvoline of a shareholder rights plan that meets the requirements of IRS Revenue Ruling 90-11, 1990-1 C.B. 10, (B) issuances of Stock of Valvoline that satisfy Safe Harbor VIII (relating to acquisitions in connection with a person's performance of services) or Safe Harbor IX (relating to acquisitions by a retirement plan of an employer) of Section 1.355-7(d) of the Regulations or (C) any acquisition of the Stock of Valvoline that satisfies Safe Harbor VII (relating to acquisitions of stock listed on an established market) of Section 1.355-7(d) of the Regulations; provided , however , that such transaction or series of transactions shall constitute a Proposed

Acquisition Transaction if meaningful factual diligence is necessary to establish that Section 5.04(b)(ii)(A), (B) or (C) applies.

(iii) The provisions of this Section 5.04(b), including the definition of "Proposed Acquisition Transaction", are intended to monitor compliance with Section 355(e) of the Code and shall be interpreted accordingly. Any clarification of, or change in, Section 355(e) of the Code or the Regulations thereunder shall be incorporated in this Section 5.04(b) and its interpretation.

(c) Consent to Take Certain Restricted Actions . (i) Valvoline may (and may cause or permit its Affiliates to) take an action otherwise prohibited under Section 5.04(a) if Ashland Global consents. Ashland Global may not withhold its consent if Valvoline has received Satisfactory Guidance. In all other cases, Ashland Global's consent shall be at its sole discretion.

(ii) For purposes of this Agreement, " Satisfactory Guidance " means either a Ruling or an Unqualified Tax Opinion, at the election of Valvoline, in either case satisfactory to Ashland Global in its sole discretion in both form and substance, including with respect to any underlying assumptions or representations and any legal analysis contained therein, and concluding that the proposed action will not cause any of the Transactions to fail to qualify for its Intended Tax Treatment.

(iii) For purposes of this Agreement, " Unqualified Tax Opinion " means an unqualified "will" opinion of a Tax Advisor that permits reliance by Ashland Global. The Tax Advisor, in issuing its opinion, shall be permitted to rely on the validity and correctness, as of the date given, of Rulings and any tax opinions previously issued by a Tax Advisor, unless such reliance would be unreasonable under the circumstances, and shall assume that each of the Transactions would have qualified for its Intended Tax Treatment if the action in question did not occur.

(d) Procedures Regarding Opinions and Rulings . (i) If Valvoline notifies Ashland Global that it desires to take a restricted action described in Section 5.04(a) and seeks Satisfactory Guidance for purposes of Section 5.04(c), Ashland Global, at the request of Valvoline, shall use commercially reasonable efforts to expeditiously obtain, or assist Valvoline in obtaining, such Satisfactory Guidance. Notwithstanding the foregoing, Ashland Global shall not be required to take any action pursuant to this Section 5.04(d) if, upon request, Valvoline fails to certify that all information and representations relating to Valvoline or any of its Affiliates in the relevant documents are true, correct and complete or fails to obtain certification from any counterparty to any Proposed Acquisition Transaction that all information and representations relating to such counterparty in the relevant documents are true, correct and complete. Valvoline shall reimburse Ashland Global for all reasonable out-of-pocket costs and expenses incurred by Ashland Global or any of its Affiliates in obtaining Satisfactory Guidance within 10 Business Days after receiving an invoice from Ashland Global therefor.

(ii) Ashland Global shall have the right to obtain a Ruling, any other guidance from any Taxing Authority or an opinion of a Tax Advisor relating to the Transactions at any time in Ashland Global's sole discretion. Valvoline, at the request of Ashland Global, shall use commercially reasonable efforts to expeditiously obtain, or assist Ashland Global in obtaining, any such Ruling, other guidance or opinion; provided , however , that Valvoline shall not be required to make any representation or covenant that it does not reasonably believe is (and will continue to be) true and accurate. Ashland Global shall reimburse Valvoline for all reasonable out-of-pocket costs and expenses incurred by Valvoline or any of its Affiliates in obtaining any such Ruling, other guidance or opinion requested by Ashland Global within 10 Business Days after receiving an invoice from Valvoline therefor.

(iii) Ashland Global shall have exclusive control over the process of obtaining any Ruling or other guidance from any Taxing Authority concerning the Transactions, and Valvoline shall not independently seek any Ruling or other guidance concerning the Transactions at any time. In connection

with any Ruling requested by Valvoline pursuant to Section 5.04(d) or that can reasonably be expected to affect Valvoline's liabilities under this Agreement, Ashland Global shall (A) keep Valvoline informed of all material actions taken or proposed to be taken by Ashland Global, (B) reasonably in advance of the submission of any ruling request provide Valvoline with a draft thereof, consider Valvoline's comments on such draft and provide Valvoline with a final copy thereof and (C) provide Valvoline with notice reasonably in advance of, and (subject to the approval of the IRS or other applicable Taxing Authority) permit Valvoline to attend, any formally scheduled meetings with the IRS or other applicable Taxing Authority that relate to such Ruling.

(iv) Notwithstanding anything herein to the contrary, Valvoline shall not seek a ruling with respect to a taxable period (or portion thereof) that ends on or before the date of the Distribution (whether or not relating to the Transactions) if Ashland Global determines that there is a reasonable possibility that such action could have a significant adverse impact on Ashland Global or any of its Affiliates.

SECTION 5.05. Notification and Certification Respecting Certain Acquisition Transactions . (a) If Valvoline proposes to enter into any 5% Acquisition Transaction or takes any affirmative action to permit any 5% Acquisition Transaction to occur at any time during the 30-month period following the date of the Distribution, Valvoline shall undertake in good faith to provide Ashland Global, no later than 10 Business Days following the signing of any written agreement with respect to such 5% Acquisition Transaction or obtaining knowledge of the occurrence of any such 5% Acquisition Transaction that takes place without a written agreement, with a written description of such transaction (including the type and amount of Stock to be issued) and an explanation as to why such transaction does not result in the application of Section 355(e) of the Code to the Transactions.

(b) For purposes of this Section 5.05, "5% Acquisition Transaction " means any transaction or series of transactions that would be a Proposed Acquisition Transaction if the percentage specified in the definition of Proposed Acquisition Transaction were 5% instead of 10%.

SECTION 5.06. Reporting . Ashland Global and Valvoline each (a) shall timely file (or cause to be filed) the appropriate information and statements (including as required by Section 6045B of the Code and Section 1.355-5 and, to the extent applicable, Section 1.368-3 of the Regulations) to report the Transactions as qualifying for the Intended Tax Treatment and (b) absent a change of Law or a Determination in respect of the Transactions, shall not take any position on any Tax Return, financial statement or other document that is inconsistent with the Transactions qualifying for the Intended Tax Treatment.

SECTION 5.07. Protective Section 336(e) Elections . (a) The Companies shall, at Ashland Global's election, timely enter into a written, binding agreement (within the meaning of Section 1.336-2(h) of the Regulations) to make any Protective Section 336(e) Election that Ashland Global chooses (it being understood, for the avoidance of doubt, that such Protective Section 336(e) Elections shall have a tax effect on the Companies only if (x) Section 355(d) or 355(e) of the Code applies to any Transaction or (y) any Transaction otherwise fails its Intended Tax Treatment to qualify for nonrecognition treatment under Section 355(c) of the Code). Ashland Global shall timely make such Protective Section 336(e) Elections and timely file such forms as may be contemplated by applicable tax Law or administrative practice to effect such Protective Section 336(e) Elections and shall have the exclusive right to prepare and file (i) the relevant purchase price allocation and any corresponding IRS Form 8883 (or any successor thereto) and (ii) any similar forms required or permitted to be filed under U.S. state or local Law in connection with such Protective Section 336(e) Elections.

(b) To the extent any such Transaction constitutes a "qualified stock disposition" (as defined in Section 1.336-1(b)(6) of the Regulations) pursuant to a Determination, the Companies shall not, and shall not permit any of their respective Affiliates to, take any position for tax purposes inconsistent with any of the Protective Section 336(e) Elections, except as may be required pursuant to a Determination.

(c) If there is a failure of one or more of the Transactions to qualify (in whole or in part) for its Intended Tax Treatment and, as a consequence, a relevant Protective Section 336(e) Election results in a step-up in the basis of any asset of the Valvoline Group, then Valvoline shall make quarterly payments to Ashland Global equal to (i) the actual tax savings, if, as and when realized, arising from such step-up in tax basis, determined on a "with and without" basis (treating any deductions or amortization attributable to such step-up in tax basis resulting from such Protective Section 336(e) Election as the last items claimed for any taxable period, including after the utilization of any available net operating loss carryforwards), and less a reasonable charge for administrative expenses and other reasonable out-of-pocket expenses necessary to secure the tax savings multiplied by (ii) the Ashland Global Transaction Tax Percentage of any Transaction Taxes resulting from such failure of one or more of the Transactions to qualify (in whole or in part) for its Intended Tax Treatment.

ARTICLE VI

Audits and Contests

SECTION 6.01. Audits and Contests . (a) Subject to Section 6.01(b), (i) Ashland Global shall have exclusive and sole responsibility and control with respect to the conduct and settlement of any examinations and contests by a Taxing Authority of any Ashland Global Consolidated Returns or Ashland Global Combined Returns and (ii) Ashland Global and Valvoline shall each have exclusive and sole responsibility and control with respect to the conduct and settlement of any examinations and contests by a Taxing Authority of the respective Separate Returns that each party is responsible for preparing under Article II.

(b) If the conduct or settlement of any portion or aspect of any examination or contest of a party's Tax Return could reasonably be expected to obligate the other Company to make an indemnity payment under Article IV or result in an additional payment obligation of the other Company under Article II, then (i) the other Company shall have the right to share joint control over the conduct and settlement of that portion or aspect and (ii) whether or not the other Company exercises that right, such party shall not accept or enter into any settlement that would obligate the other Company to make an indemnity payment under Article IV or result in an additional payment obligation of the other Company under Article II without the consent of the other Company (which consent shall not unreasonably be withheld or delayed). Within 15 Business Days of the commencement of any such examination or contest, such party shall give the other Company notice of, and consult with the other Company with respect to, any issues that could reasonably be expected to obligate the other Company as described in the preceding sentence; provided , however , that the other Company shall not be relieved of any obligation to make additional payments under this Agreement if such party fails to timely deliver the notice described above except to the extent that the other Company is actually prejudiced thereby. If the other Company does not respond to such party's request for consent within 15 Business Days, the other Company shall be deemed to have consented.

SECTION 6.02. Expenses . Each Indemnifying Party shall reimburse the Indemnitee for all reasonable out-of-pocket expenses (including legal, consulting and accounting fees) in the course of proceedings described in Section 6.01 to the extent those expenses are reasonably attributable to the Indemnifying Party or any of its Affiliates, or to any matter for which the Indemnifying Party is required to indemnify under Article IV or which would result in an additional payment obligation of the Indemnifying Party under Article II.

ARTICLE VII

General Cooperation and Document Retention

SECTION 7.01. Cooperation and Good Faith . Each member of the Ashland Global Group and the Valvoline Group shall cooperate fully with all reasonable requests from the other party in connection with the preparation and filing of Tax Returns, audits, contests and other matters covered by this Agreement. Such cooperation shall include the execution of any document that may be necessary or reasonably helpful in

connection with any audit or contest, the filing or amending of a Tax Return by a member of the Ashland Global Group or the Valvoline Group, obtaining any tax opinion or Ruling or, for no more than 2 years following the date of this Agreement, the provision of services described in Schedule G (which services shall, for the avoidance of doubt, be provided without remuneration).

SECTION 7.02. Duty to Mitigate Recognition or Recapture of Income . Prior to any event that may result in recognition or recapture of income (including under any gain recognition agreement or domestic use agreement), Ashland Global and Valvoline shall use (and shall cause the members of the Ashland Global Group and Valvoline Group, respectively, to use) all commercially reasonable efforts to eliminate such recognition or recapture of income or otherwise avoid or minimize the impact thereof. For the avoidance of doubt:

(a) Valvoline shall enter into (or shall cause the appropriate member of the Valvoline Group to enter into) a new gain recognition agreement pursuant to Section 1.367(a)-8 of the Regulations, if entering into that gain recognition agreement would preclude or defer the recognition of gain by any member of the Ashland Global Group.

(b) To the extent that any member of the Valvoline Group is a "U.S. transferor" (within the meaning of Section 1.367(a)-8(b)(1)(xvii) of the Regulations) with respect to property for which a gain recognition agreement was entered into, Valvoline shall comply (or shall cause the appropriate member of the Valvoline Group to comply) with the annual certification requirements of Section 1.367(a)-8(g) of the Regulations for the term of such gain recognition agreement and promptly provide copies of those annual certifications to Ashland Global. A list of gain recognition agreements, which includes gain recognition agreements that a member of the Ashland Global Group or Valvoline Group has or expects to enter into, is set out in Schedule H.

(c) Valvoline shall enter into any agreements (including new domestic use agreements under Section 1.1503(d)-6(f)(2) of the Regulations), make any elections and take any other actions, in each case as requested by Ashland Global or as otherwise required in order to avoid causing the Distribution or Other Disposition, as the case may be, to be a "triggering event" requiring recapture of any "dual consolidated loss" (in each case, within the meaning of Section 1503(d) of the Code and the Regulations thereunder) for which an Ashland Global Consolidated Group member has made a "domestic use election" under Section 1.1503(d)-6(d) of the Regulations and that was incurred by a member of the Valvoline Group during a Consolidation Year.

SECTION 7.03. Document Retention; Access to Records and Use of Personnel . Until the expiration of the relevant statute of limitations (including extensions), each of Ashland Global and Valvoline shall (i) retain records, documents, accounting data, computer data and other information (collectively, the "Records ") necessary for the preparation, filing, review, audit or defense of all Tax Returns or relevant to an obligation, right or liability of either party under this Agreement and (ii) give each other reasonable access to such Records and to its personnel (ensuring their cooperation) and premises to the extent relevant to an obligation, right or liability of either party under this Agreement. Prior to disposing of any such Records, each of Ashland Global and Valvoline shall notify the other party in writing of such intention and afford the other party the opportunity to take possession or make copies of such Records at its discretion.

ARTICLE VIII

Miscellaneous Provisions

SECTION 8.01. Interest . Except as provided in Section 2.05(c), any payments required pursuant to this Agreement that are not made within the time period specified in this Agreement shall bear interest at a rate equal to 200 basis points above the average interest rate on the senior bank debt of Ashland Global.

SECTION 8.02. No Duplication of Payment . Notwithstanding anything to the contrary herein,

nothing in this Agreement shall require Ashland Global or Valvoline, as the case may be, to make any payment to the extent that the payment is attributable to a Tax Attribute, Return Item or any other amount for which payment has previously been made under this Agreement.

SECTION 8.03. Confidentiality. Each of the Companies agrees that any information furnished pursuant to this Agreement is confidential and, except as and to the extent required by Law or otherwise during the course of an audit or contest or other administrative or legal proceeding, shall not be disclosed to other Persons. In addition, each of Ashland Global and Valvoline shall cause its Affiliates, employees, agents and advisors to comply with the terms of this Section 8.03.

SECTION 8.04. Successors and Access to Information. This Agreement shall be binding upon and inure to the benefit of any successor to any of the parties, by merger, acquisition of assets or otherwise, to the same extent as if the successor had been an original party to this Agreement, and in such event, all references herein to a party shall refer instead to the successor of such party.

SECTION 8.05. Injunctions. The Companies acknowledge that irreparable damage would occur to them in the event that any of the provisions of this Agreement were not performed in accordance with its specific terms or were otherwise breached. The Companies agree that they shall be entitled to an injunction or injunctions to prevent breaches of the provisions of this Agreement and to enforce specifically the terms and provisions hereof in any court having jurisdiction, such remedy being in addition to any other remedy to which it may be entitled at Law or in equity. Nothing in this Agreement shall prevent any Company from seeking injunctive relief as it deems necessary or appropriate.

SECTION 8.06. Governing Law. This Agreement shall be governed by and construed in accordance with the Laws of New York excluding (to the greatest extent permissible by Law) any rule of Law that would cause the application of the Laws of any jurisdiction other than the State of New York.

SECTION 8.07. Headings. The headings in this Agreement are for convenience only and shall not be deemed for any purpose to constitute a part or to affect the interpretation of this Agreement.

SECTION 8.08. Counterparts. This Agreement may be executed simultaneously in two or more counterparts, each of which shall be deemed an original, and it shall not be necessary in making proof of this Agreement to produce or account for more than one counterpart.

SECTION 8.09. Notice. All notices or other communications under this Agreement shall be in writing and shall be deemed to be duly given (a) when delivered in person, (b) on the date received, if sent by a nationally recognized delivery or courier service or (c) upon the earlier of confirmed receipt or the fifth Business Day following the date of mailing if sent by registered or certified mail, return receipt requested, postage prepaid, in each case addressed as follows:

If to Ashland Global, to:

ASHLAND GLOBAL HOLDINGS INC.
50 East RiverCenter Boulevard
Covington, KY 41011
Attn: Scott A. Gregg
Peter Ganz
Email: sagregg@ashland.com
pganz@ashland.com

with a copy to:

Cravath, Swaine & Moore LLP Worldwide Plaza
825 Eighth Avenue New York, NY 10019
Attn: Stephen L. Gordon Lauren Angelilli
Email: gordon@cravath.com
langelilli@cravath.com
Facsimile: (212) 474-3700

If to Valvoline, to:

VALVOLINE INC.
3499 Blazer Parkway
Lexington, KY 40509
Attn: Nicolas H. Schmelzer
Julie M. O'Daniel
Email: nhschmelzer@valvoline.com
jmodaniel@valvoline.com

Either Company may, by notice to the other Company, change the address to which such notices are to be given. Any payment required to be made under this Agreement shall be delivered to the relevant Company at an address to which notice under this Section 8.09 may be given to such Company.

SECTION 8.10. Severability . If any provision of this Agreement is held to be unenforceable for any reason, it shall be adjusted rather than voided, if possible, in order to achieve the intent of the parties to the maximum extent practicable. In any event, all other provisions of this Agreement shall be deemed valid, binding and enforceable to their full extent.

SECTION 8.11. Termination . This Agreement shall remain in force and be binding for 90 days following the expiration of the applicable period of assessments (including extensions) for any taxes contemplated by this Agreement; provided , however , that neither Ashland Global nor Valvoline shall have any liability to the other party with respect to tax liabilities for taxable periods (or portions thereof) in which Valvoline is not included in the Ashland Global Consolidated Returns except as provided in Article II or IV of this Agreement.

SECTION 8.12. Successor Provisions . Any reference herein to any provisions of the Code or Regulations shall be deemed to include any amendments or successor provisions thereto as appropriate.

SECTION 8.13. Compliance by Group Members . Ashland Global and Valvoline each shall cause all present and future members of the Ashland Global Group and the Valvoline Group to comply with the terms of this Agreement.

SECTION 8.14. Survival . Notwithstanding anything in this Agreement to the contrary, the provisions of this Agreement shall survive for the full period of all applicable statutes of limitations (giving effect to any waiver, mitigation or extensions thereof) plus 90 days.

SECTION 8.15. Integration; Amendments . Except as explicitly stated herein, this Agreement embodies the entire understanding between the parties relating to its subject matter and supersedes and terminates all prior agreements and understandings among the parties with respect to such matters. No promises, covenants or representations of any kind, other than those expressly stated herein, have been made to induce any party to enter into this Agreement. This Agreement shall not be modified or terminated except by a writing duly signed by each of the parties hereto, and no waiver of any provisions of this Agreement shall be effective unless in a writing duly signed by the party sought to be bound. If, and to the extent, the provisions of this Agreement conflict with the TSA, the provisions of this Agreement shall control.

SECTION 8.16. Third-Party Beneficiaries. (a) The provisions of this Agreement are solely for

the benefit of the Companies and are not intended to confer upon any Person except the Companies any rights or remedies hereunder and (b) there are no third-party beneficiaries of this Agreement and this Agreement shall not provide any third Person with any remedy, claim, liability, reimbursement, cause of action or other right in excess of those existing without reference to this Agreement.

SECTION 8.17. Waiver of Jury Trial . EACH OF THE COMPANIES ACKNOWLEDGES AND AGREES THAT ANY CONTROVERSY THAT MAY ARISE UNDER THIS AGREEMENT IS LIKELY TO INVOLVE COMPLICATED AND DIFFICULT ISSUES, AND THEREFORE EACH OF THE COMPANIES HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY RIGHT SUCH PARTY MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT. EACH OF THE COMPANIES CERTIFIES AND ACKNOWLEDGES THAT (a) NO REPRESENTATIVE, AGENT OR ATTORNEY OF THE OTHER COMPANY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT THE OTHER COMPANY WOULD NOT, IN THE EVENT OF ANY LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER, (b) EACH OF THE COMPANIES UNDERSTANDS AND HAS CONSIDERED THE IMPLICATIONS OF THIS WAIVER, (c) EACH OF THE COMPANIES MAKES THIS WAIVER VOLUNTARILY AND (d) EACH OF THE COMPANIES HAS BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION 8.17.

IN WITNESS WHEREOF, the Compa nies have caused this Agreement to be executed by thei r duly authorized representatives as of the date first set forth above.

ASHLAND GLOBAL HOLDINGS INC.

by /s/ Peter J. Ganz

Name: Peter J. Ganz
Senior Vice President, General
Counsel, and Secretary

VALVOLINE INC.

by /s/ Julie O'Daniel

Name: Julie O'Daniel
General Counsel and Corporate
Secretary

EXHIBIT 10.19

EXECUTION VERSION

EMPLOYEE MATTERS AGREEMENT

by and between

ASHLAND GLOBAL HOLDINGS INC.

and

VALVOLINE INC.

Dated as of September 22, 2016

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SCHEDULES

EMPLOYEE MATTERS AGREEMENT, dated as of September 22, 2016, by and between ASHLAND GLOBAL HOLDINGS INC., a Delaware corporation ("Ashland Global ") and parent of Ashland LLC, and VALVOLINE INC., a Kentucky corporation ("Valvoline").

R E C I T A L S

WHEREAS the Parties are entering into the Separation Agreement (the " Sep aration Agreement ") concurrently herewith, pursuant to which Ashland Global intends to effect the Initial Public Offering (as defined below) and the Distribution (as defined below); and

WHEREAS the Parties (as defined below) wish to set forth their agreements as to certain matters regarding employment, compensation and employee benefits and arrangements with certain non-employee service providers.

NOW, THEREFORE, in consideration of the mutual agreements, provisions and covenants contained in this Agreement (as defined below), the Parties, intending to be legally bound, hereby agree as follows:

ARTICLE I

Definitions

SECTION 1.01. Definitions. For purposes of this Agreement, the following terms shall have the following meanings. All capitalized terms used but not defined herein shall have the meanings assigned to them in the Separation Agreement, unless otherwise indicated.

"Action " shall have the meaning set forth in the Separation Agreement.

"Affiliate" shall have the meaning set forth in the Separation Agreement.

"Agreement" means this Employee Matters Agreement, including the schedules hereto.

"Ancillary Agreements " shall have the meaning set forth in the Separation Agreement.

"Ashland Global Benefit Plan " means any Benefit Plan sponsored or maintained by any member of the Ashland Global Group or to which any member of the Ashland Global Group is a party.

"Ashland Global Business " shall have the meaning set forth in the Separation Agreement.

"Ashland Global Common Stock " shall have the meaning set forth in the Separation Agreement.

"Ashland Global Deferred Compensation Plan " means each nonqualified Ashland Global Benefit Plan or Individual Agreement that provides employees or non- employee directors an election to defer compensation, other than the Hercules Deferred Compensation Plan.

"Ashland Global Employee " means (i) each individual who was employed by a member of the Ashland Global Group as of immediately following August 1, 2016, including any such individual who was not

actively at work at such time due to a leave of absence (including vacation, holiday, illness, injury or short-term disability, but excluding leave under the Ashland Global Group's long-term disability plan) from which such employee was permitted to return to active employment in accordance with the Ashland Global Group's personnel policies, (ii) each individual who, as of immediately following August 1, 2016 (A) is on leave under part I of the Ashland Global Group's long-term disability plan, (B) was primarily charged to an Ashland cost center at the time such leave commenced and (C) is reasonably likely to return to work prior to transitioning to part II of the Ashland Global Group's long-term disability plan, as determined by Ashland Global in its sole discretion, but excluding in the case of this clause (ii) any individual covered by a collective bargaining set forth on Schedule 3.01 , and (iii) each individual who commenced or commences employment with a member of the Ashland Global Group any time following August 1, 2016, in each case excluding any Former Ashland Global Employee, Valvoline Employee or Former Valvoline Employee.

"Ashland Global Equity Awards " means Ashland Global Performance Units, Ashland Global Restricted Share Units, Ashland Global Restricted Shares and Ashland Global Stock Appreciation Rights.

"Ashland Global Excess Benefit and Supplemental Pension Plan " means each Ashland Global Benefit Plan that provides nonqualified excess or supplemental pension benefits, other than those set forth on Schedule 1.01 .

"Ashland Global General Employee Liabilities " means all actual or potential employee-related Liabilities (i) that are incurred on or after August 1, 2016 in respect of or relating to any Ashland Global Employee or (ii) that are incurred prior to August 1, 2016 and are not covered by clause (ii) of the definition of Valvoline General Employee Liabilities.

"Ashland Global Group " shall have the meaning set forth in the Separation Agreement.

"Ashland Global Liabilities " shall have the meaning set forth in the Separation Agreement.

"Ashland Global Performance Unit " means each award of performance units payable in whole or in part in shares of Ashland Global Common Stock, or the value of which is determined with reference to the value of shares of Ashland Global Common Stock, whether granted pursuant to an equity-based incentive compensation plan or otherwise.

"Ashland Global Restricted Share Unit " means each award of restricted share units or restricted share equivalents payable in whole or in part in shares of Ashland Global Common Stock, or the value of which is determined with reference to the value of shares of Ashland Global Common Stock, whether granted pursuant to an equity-based incentive compensation plan or otherwise. For the avoidance of doubt, deferred compensation balances denominated or hypothetically invested in shares of Ashland Global Common Stock shall be treated in accordance with Article X and shall not be considered "Ashland Global Restricted Share Units" for purposes of this Agreement.

"Ashland Global Restricted Share " means each award of restricted shares of Ashland Global Common Stock, whether granted pursuant to an equity-based incentive compensation plan or otherwise.

"Ashland Global Stock Appreciation Right " means each award of stock appreciation rights payable in whole or in part in shares of Ashland Global Common Stock, or the value of which is determined with reference to the value of shares of Ashland Global Common Stock, whether granted pursuant to an equity-based incentive compensation plan or otherwise.

"Ashland Hercules Pension Plan" means the Ashland Hercules Pension Plan. For the avoidance of doubt, each reference to the Ashland Hercules Pension Plan in this Agreement shall refer to such plan prior to or after it has been assumed by a member of the Valvoline Group in accordance with Section 6.01(a), as the context requires.

"Ashland Hercules Pension Plan Trust" means the trust (or the relevant portion of a master trust) or other funding vehicle that has been established to fund the Ashland Hercules Pension Plan. For the avoidance of doubt, each reference to the Ashland Hercules Pension Plan Trust in this Agreement shall refer to such trust or other funding vehicle prior to or after it has been assumed by a member of the Valvoline Group in accordance with Section 6.01(a), as the context requires.

"Benefit Plan" means any plan, program, policy, agreement, arrangement or understanding that is an employment, consulting, deferred compensation, executive compensation, incentive bonus or other bonus, employee pension, profit sharing, savings, retirement, supplemental retirement, stock option, stock purchase, stock appreciation right, restricted stock, restricted stock unit, performance unit, deferred stock unit or other equity-based compensation, severance pay, retention, change in control, salary continuation, life insurance, death benefit, health, hospitalization, workers' compensation, welfare benefits, perquisites, sick leave, vacation pay, disability or accident insurance or other employee benefit plan, program, agreement or arrangement, including any "employee benefit plan" (as defined in Section 3(3) of ERISA), whether or not subject to ERISA.

"Benefit Plan Transfer Date" means, with respect to an applicable Valvoline Benefit Plan, the date set forth opposite such Valvoline Benefit Plan in Schedule 4.01, or such other date prior to the Distribution Date as determined by Ashland Global in its sole discretion.

"CHPP" means the Pension Plan for Hourly Employees of Ashland Chemical.

"CHPP Transfer Interest Amount" means an interest increment on the absolute value of the Section 414(l) Increment for the period from the Pension Spin-Off Date until the CHPP True-Up Transfer Date at a rate equal to the select interest rate that the Pension Benefit Guaranty Corporation publishes as of the Pension Spin-Off Date for the purpose of determining the present value of annuities in involuntary and distress terminations of single-employer plans, as described in 29 CFR 4044.

"CHPP Trust" means the trust or other funding vehicle that has been established to fund the CHPP.

"COBRA" means the U.S. Consolidated Omnibus Budget Reconciliation Act of 1985, as amended, and any similar applicable Laws.

"Code" shall have the meaning set forth in the Separation Agreement.

"Distribution" shall have the meaning set forth in the Separation Agreement.

"Distribution Date" shall have the meaning set forth in the Separation Agreement.

"Employment Taxes" means all fees, taxes, social insurance payments or similar contributions to a fund of a Governmental Authority with respect to wages or other compensation.

"Equity Award Exchange Ratio" means the ratio that will be determined by the board of directors of Ashland Global (or the appropriate committee thereof), in its sole discretion, in a manner designed to preserve the aggregate value of the applicable outstanding equity awards.

"ERISA" means the U.S. Employee Retirement Income Security Act of 1974, as amended.

"Final CHPP Transfer Amount" means the sum of:

(A) the Section 414(l) Increment,

(B) *plus* the CHPP Transfer Interest Amount, if the Section 414(l) Increment is a positive number, or *less* the CHPP Transfer Interest Amount, if the Section 414(l) Increment is a negative number,

(C) *less* the amount of any benefit payments that are made from the Ashland Hercules Pension Plan to Hopewell Pension Plan Participants in respect of the Transferred to CHPP Accrued Benefits between the Pension Spin-Off Date and the CHPP True-Up Transfer Date, if any.

"Former Ashland Global Employee" means each former employee whose employment terminated prior to August 1, 2016 and who is not a Former Valvoline Employee.

"Former Valvoline Employee" means each former employee whose employment terminated prior to August 1, 2016 and who, as of immediately prior to such individual's termination of employment, was employed by a member of the Valvoline Group, was primarily engaged in the conduct of any terminated, divested or discontinued business or operations of the Valvoline Business or was a U.S. employee primarily engaged in the conduct of any other terminated, divested or discontinued business or operations of the Ashland Global Group (other than the Valvoline Business or any terminated, divested or discontinued businesses or operations of the Valvoline Business).

"Governmental Authority" shall have the meaning set forth in the Separation Agreement.

"Hercules Rabbi Trusts" means the Hercules Incorporated Amended and Restated Compensation Benefits Grantor Trust Agreement for Management Employees and the Hercules Incorporated Amended and Restated Compensation Benefits Grantor Trust Agreement for Nonemployee Directors.

"Hopewell Pension Plan Participant" means each individual who participates in or has an accrued benefit under the Ashland Hercules Pension Plan who is an active employee covered by the Hopewell collective bargaining agreement as of the Pension Spin-Off Date.

"Individual Agreement" means an individual employment contract or other similar agreement that specifically pertains to any Valvoline Employee, Former Valvoline Employee, Ashland Global Employee or Former Ashland Global Employee.

"Information" shall have the meaning set forth in the Separation Agreement.

"Initial Public Offering" shall have the meaning set forth in the Separation Agreement.

"Joint Development Agreement" means the Workday Joint Implementation Agreement dated as of the date of this Agreement between Ashland Global and Valvoline and the Supplemental IT Transition Services Agreement dated as of the date of this Agreement between Ashland Global and Valvoline.

"Law" shall have the meaning set forth in the Separation Agreement.

"LESOP" means the Ashland Inc. Leveraged Employee Stock Ownership Plan.

"LESOP Trust" means the trust or other funding vehicle that has been established to fund the LESOP.

"Liabilities" shall have the meaning set forth in the Separation Agreement. For the avoidance of doubt, for purposes of this Agreement, "Liabilities" shall include the employer-paid portion of any Employment Taxes.

"Party" means either party hereto, and "Parties" means both parties hereto.

"Person" shall have the meaning set forth in the Separation Agreement.

"Proportionate Share Factor" shall have the meaning set forth in the TMA.

"RTSA" shall have the meaning set forth in the Separation Agreement.

"Section 414(l) Amount" means the amount required to be transferred from the Ashland Hercules Pension Plan Trust to the CHPP Trust in respect of the Transferred to CHPP Accrued Benefits pursuant to Section 414(l) of the Code and Treasury Regulation Section 1.414(l)-1(n)(2) or, if the requirements thereof cannot be satisfied, in accordance with the applicable requirements of ERISA and the Code as determined by Ashland Global in its sole discretion, in each case using actuarial assumptions and methodology deemed reasonable by the administrator of the Ashland Hercules Pension Plan in its sole discretion (for the avoidance of doubt, such actuarial assumptions and methodology may, but need not, include the safe harbor assumptions specified in Section 414(l) of the Code), subject to any requirements under the Code and ERISA.

"Section 414(l) Increment" means (i) the Section 414(l) Amount, as recalculated by the Actuary following the Pension Spin-Off Date, *less* (ii) the Initial CHPP Transfer Amount.

"Service Provider" means any individual who provided or is providing services for a member of the Valvoline Group or a member of the Ashland Global Group, whether as a consultant, an independent contractor or other similar role (other than as an employee), including, for the avoidance of doubt, any non-employee member of the board of directors of Ashland Global or the board of directors of Valvoline.

"Specified Performance Factor" means:

(i) in the case of Ashland Global Performance Units granted with respect to the three-year vesting period ending September 30, 2017, the actual level of achievement of all relevant performance goals as of immediately prior to the Distribution, as determined by the board of directors of Ashland Global (or the appropriate committee thereof) in its sole discretion prior to the Distribution; and

(ii) in the case of Ashland Global Performance Units granted with respect to the three-year vesting period ending September 30, 2018 and any Ashland Global Performance Units granted following the date hereof, the actual level of achievement of all relevant performance goals as of the conclusion of the applicable performance period, as determined by the board of directors of Ashland Global (or the appropriate committee thereof) in its sole discretion as soon as practicable following the conclusion of the applicable performance period, in accordance with the terms of the applicable award agreement.

"Subsidiary" shall have the meaning set forth in the Separation Agreement.

"taxes" shall have the meaning set forth in the TMA.

"Taxing Authority" shall have the meaning set forth in the TMA.

"TMA" shall have the meaning set forth in the Separation Agreement.

"Transition Services Employee" means each individual who spends or spent 50% or more of his

or her work time engaged in providing services pursuant to one or more of the TSA, the RTSA or a Joint Development Agreement, collectively, in each case as determined by Ashland Global in its sole discretion.

"TSA" shall have the meaning set forth in the Separation Agreement.

"Valvoline Benefit Plan" means any Benefit Plan sponsored or maintained by any member of the Valvoline Group or to which any member of the Valvoline Group is a party.

"Valvoline Business" shall have the meaning set forth in the Separation Agreement.

"Valvoline Common Stock" shall have the meaning set forth in the Separation Agreement.

"Valvoline Employee" means (i) each individual who was employed by a member of the Valvoline Group as of immediately following August 1, 2016, including any such individual who was not actively at work at such time due to a leave of absence (including vacation, holiday, illness, injury or short-term disability, but excluding leave under the Ashland Global Group's long-term disability plan) from which such employee was permitted to return to active employment in accordance with the Valvoline Group's personnel policies, (ii) each individual who, as of immediately following August 1, 2016, is on leave under part I or part II of the Ashland Global Group's long-term disability plan, other than any individual described in clause (ii) of the definition of Ashland Global Employee, and (iii) each individual who commenced or commences employment with a member of the Valvoline Group any time following August 1, 2016, in each case excluding any Former Valvoline Employee, Ashland Global Employee or Former Ashland Global Employee.

"Valvoline General Employee Liabilities" means all actual or potential employee-related Liabilities (i) that are incurred on or after August 1, 2016 in respect of or relating to any Valvoline Employee or (ii) that are incurred prior to August 1, 2016 and are Valvoline Legacy Claims.

"Valvoline Group" shall have the meaning set forth in the Separation Agreement.

"Valvoline Legacy Claims" shall have the meaning set forth in the Separation Agreement.

"Valvoline Liabilities" shall have the meaning set forth in the Separation Agreement.

"Welfare Plan" means any Benefit Plan that provides life insurance, health care, dental care, accidental death and dismemberment insurance, disability benefits or other group welfare or fringe benefits.

SECTION 1.02. Glossary of Defined Terms. The following terms shall have the meanings set forth in the Sections set forth below:

Definition	Section
Actuary	6.01(c)(i)
Ashland Global	Preamble
Ashland Global 401(k) Plan	7.01
Ashland Global Deferred Compensation Plans	10.01
Ashland Global Excess Benefit and Supplemental Pension Plans	6.02(a)
Ashland Global Pension Plans	6.01(a)
Ashland Global Welfare Plan	5.01(b)
Ashland Global Workers' Compensation Plan	5.02
CHPP True-Up Transfer Date	6.01(c)(ii)
Continuing Valvoline Employee	8.02
Excess Benefit Plan Assumption Date	6.02(a)

Initial CHPP Transfer Amount	6.01(c)(i)
New Valvoline Plans	4.01(a)
Pension Spin-Off Date	6.01(b)
Separation Agreement	Recitals
Transferred Employee	2.01

Definition	Section
Transferred to CHPP Accrued Benefits	6.01(b)
Transitioning Director	10.02
Valvoline	Preamble
Valvoline 401(k) Plans	7.01(a)
Valvoline Deferred Compensation Plans	10.01
Valvoline Equity Plan	8.01
Valvoline Excess Benefit and Supplemental Pension Plans	6.02(a)
Valvoline Pension Plans	6.01(a)
Valvoline Welfare Plans	Schedule 4.01
Valvoline Workers' Compensation Plan	5.02
Workers' Compensation Event	5.02

ARTICLE II

General

SECTION 2.01. Transferred Employees. Following the date hereof the Parties may jointly agree to, or to cause their Subsidiaries to, transfer the employment of one or more individuals from a member of the Ashland Global Group to a member of the Valvoline Group, or from a member of the Valvoline Group to a member of the Ashland Global Group, as applicable, in each case in connection with the transactions contemplated by this Agreement, the Separation Agreement and the Ancillary Agreements (each such individual, a "Transferred Employee"). Except as otherwise expressly provided in this Agreement, effective as of the date the employment of a Transferred Employee is transferred in accordance with the immediately preceding sentence, or such other date as may otherwise be agreed in writing by the Parties, the members of the Valvoline Group or the members of the Ashland Global Group, as applicable, shall assume all Liabilities outstanding as of the date of such transfer of the type or nature that would have been assumed by such members of the Valvoline Group or members of the Ashland Global Group, as applicable, had such Transferred Employee transferred to and been employed by a member of the Valvoline Group or a member of the Ashland Global Group, as applicable, as of August 1, 2016, except that Liabilities under any Benefit Plan shall be determined as of the date such Transferred Employee transferred employment. Without limiting the foregoing, the Parties shall cooperate to determine whether each Transition Services Employee shall be employed by a member of the Valvoline Group or a member of the Ashland Global Group or terminated following the expiration of the TSA, RTSA or applicable Joint Development Agreement, the early termination of the subpart of the TSA, RTSA or Joint Development Agreement pursuant to which such Transition Services Employee provides or provided services, or such other time as the Parties may mutually agree in writing. For the avoidance of doubt, the foregoing provisions shall not apply to an individual employed by or previously employed by a member of the Valvoline Group who commences employment with a member of the Ashland Global Group, or an individual employed by or previously employed by a member of Ashland Global Group who commences employment with a member of the Valvoline Group, in each case in the ordinary course of business following the date hereof and not in connection with the transactions contemplated by this Agreement, the Separation Agreement and the Ancillary Agreements.

SECTION 2.02. Employee Liabilities Generally. Except as otherwise expressly provided in this Agreement, (a) effective as of August 1, 2016, a member of the Valvoline Group has assumed or retained Liability for paying, performing, fulfilling and discharging in accordance with their respective terms all Valvoline General Employee Liabilities and shall be obligated to reimburse the members of the Ashland Global Group in

accordance with Section 16.01 with respect thereto, and (b) a member of the Ashland Global Group hereby assumes or retains Liability for paying, performing, fulfilling and discharging in accordance with their respective terms all Ashland Global General Employee Liabilities.

SECTION 2.03. Employee Benefits Generally. Except as otherwise expressly provided in this Agreement or as otherwise required by applicable Law and subject to the reimbursement obligations of the members of the Valvoline Group pursuant to Section 16.01, each Valvoline Employee or Former Valvoline Employee who is eligible to participate in any Ashland Global Benefit Plan shall participate in such Ashland Global Benefit Plan following the date hereof and through the applicable Benefit Plan Transfer Date on the terms and conditions applicable thereto in effect from time to time.

SECTION 2.04. Non-Termination of Employment or Benefits.

(a) Except as otherwise required by applicable Law or the express terms of any Individual Agreement, neither this Agreement, the Separation Agreement nor any Ancillary Agreement shall be construed to create any right, or to accelerate any entitlement, to any compensation or benefit on the part of any Valvoline Employee, Former Valvoline Employee, Ashland Global Employee or Former Ashland Global Employee. Without limiting the generality of the foregoing, except as otherwise required by applicable Law or the express terms of any Individual Agreement, neither the Initial Public Offering, the Distribution nor the transfers of employment contemplated by Section 2.01 shall cause any individual to be deemed to have incurred a termination of employment or to have created any entitlement to any severance payments or benefits or the commencement of any other benefits under any Ashland Global Benefit Plan, any Valvoline Benefit Plan or any Individual Agreement; provided , however , that:

(i) in the event the Parties do not mutually agree in writing pursuant to Section 2.01 that a Transition Services Employee shall be employed by a member of either of the Valvoline Group or the Ashland Global Group following the expiration of the TSA, RTSA or applicable Joint Development Agreement, or the early termination of the subpart of the TSA, RTSA or Joint Development Agreement pursuant to which such Transition Services Employee provides or provided services, or such other time as the Parties may mutually agree in writing, as applicable, and the employment of such Transition Services Employee is terminated as a result, any severance or other Liabilities associated with such termination of employment shall be divided equally between the Parties; and

(ii) in the event such transactions or such transfers (other than those described in the immediately preceding clause (i)) result in severance or other separation payments or benefits to any individual, such Liabilities shall be allocated among the Parties in accordance with their Proportionate Share Factors.

SECTION 2.05. No Right to Continued Employment. Nothing contained in this Agreement shall confer any right to continued employment on any Valvoline Employee or Ashland Global Employee. Except as otherwise expressly provided in this Agreement, this Agreement shall not limit the ability of any member of the Valvoline Group or any member of the Ashland Global Group to change the position, compensation or benefits of any of its employees for performance-related, business or any other reasons or require any such entity to continue the employment of any such employee for any period of time; provided , however, that in the event of any such termination of employment or modification of the terms and conditions of employment (other than those described in clause (i) of Section 2.04(a)), any associated Liabilities shall be Valvoline Liabilities if undertaken by a member of the Valvoline Group with respect to Valvoline Employees and shall be Ashland Global Liabilities if undertaken by a member of the Ashland Global Group with respect to Ashland Global Employees.

SECTION 2.06. Service Providers. Except as provided in Article X with respect to deferred compensation benefits provided to non-employee members of the board of directors of Ashland Global or the board of directors of Valvoline or as otherwise expressly provided in this Agreement, the provisions of this Agreement shall not apply to any Service Providers, and all actual or potential Liabilities relating to services

provided by Service Providers to any member of the Ashland Global Group or any member of the Valvoline Group, including (a) Liabilities relating to the misclassification of any individual as a Service Provider and not as an employee, (b) Liabilities for taxes (including Employment Taxes), (c) accounts payable owed to any Service Provider and (d) any claims made by any Service Provider with respect to benefits under any Benefit Plan, shall be allocated among the members of the Valvoline Group and the members of the Ashland Global Group in accordance with the cost center (other than a shared cost center) to which such Service Provider's services are or were charged and/or the method of allocating the costs and expenses of such services (other than any such costs and expenses that are or were charged to a shared cost center) as in effect as of the date hereof (or as of the date of the termination of such Service Provider's services, if earlier).

ARTICLE III

Collective Bargaining Agreements

SECTION 3.01. Continuity and Performance of Agreements. From and after the date hereof, any unions, works councils or similar organizations representing the Valvoline Employees shall continue to represent those employees for purposes of collective bargaining with any member of the Valvoline Group, and the members of the Valvoline Group shall comply with the terms of, and assume all Liabilities of the Ashland Global Group with respect to, each works council, collective bargaining or other

labor union agreement that covers one or more Valvoline Employees, including those set forth on Schedule 3.01 , in each case as in effect as of the date hereof, and shall comply with all applicable Laws with respect thereto, until such time as the Valvoline Group negotiates a new works council, collective bargaining or other labor union agreement.

ARTICLE IV

Valvoline Plans Generally

SECTION 4.01. Valvoline Benefit Plans. (a) Establishment of Certain Valvoline Benefit Plans. Effective as of no later than the applicable Benefit Plan Transfer Date, a member of the Valvoline Group shall establish or shall cause to be established the Benefit Plans set forth in Schedule 4.01 (the " New Valvoline Plans "). A member of the Valvoline Group shall be the sole plan sponsor of, and from and after the date of adoption thereof, shall have the sole responsibility and liability for, each New Valvoline Plan. The members of the Valvoline Group shall cease to be participating members in each corresponding Ashland Global Benefit Plan as of the applicable Benefit Plan Transfer Date.

(b) Service and Other Factors Determining Benefits. Each New Valvoline Plan shall provide that all service, all compensation and all other factors affecting benefit determinations that were recognized under the corresponding Ashland Global Benefit Plan for Valvoline Employees and Former Valvoline Employees who participate in such New Valvoline Plan shall be fully recognized and credited and shall be taken into account under such New Valvoline Plan to the same extent as though arising thereunder; provided that, in the case of any such individuals who become employed by a member of the Valvoline Group following a break in employment, such recognition and credit shall be subject to any applicable policies of the members of Valvoline Group regarding non-continuous employment, to the extent permitted by applicable Law. Notwithstanding the foregoing, in no event shall such crediting of service or any other action taken pursuant to this Section 4.01 result in the duplication of benefits for any Valvoline Employee or Former Valvoline Employee. All beneficiary designations made by Valvoline Employees and Former Valvoline Employees under the corresponding Ashland Global Benefit Plan shall be transferred to and shall be in full force and effect under the applicable New Valvoline Plan until such beneficiary designations are replaced or revoked by the applicable Valvoline Employee or Former Valvoline Employee.

SECTION 4.02. Standalone Valvoline Benefit Plans. To the extent that any member of the Valvoline Group maintains any Benefit Plans as of the date hereof that are separate and distinct from the Ashland Global Benefit Plans, such member of the Valvoline Group shall continue to maintain, operate and contribute to such separate Benefit Plans immediately following the date hereof in accordance with their terms, and all Liabilities relating to, arising out of or resulting from such separate Benefit Plans shall be Valvoline Liabilities.

SECTION 4.03. Power to Amend. Subject to the Parties' compliance with the remaining terms of this Agreement, nothing in this Agreement shall prevent any

member of the Valvoline Group or any member of the Ashland Global Group from amending, merging, modifying, terminating, eliminating, reducing or otherwise altering in any respect any Valvoline Benefit Plan or Ashland Benefit Plan, any benefit under any Valvoline Benefit Plan or Ashland Benefit Plan or any trust, insurance policy or funding vehicle related to any Valvoline Benefit Plan or Ashland Benefit Plan, as applicable.

ARTICLE V

Welfare Plans

SECTION 5.01. Welfare Plans. (a) Comparable Benefits. Effective as of no later than each applicable Benefit Plan Transfer Date, a member of the Valvoline Group shall establish or cause to be established the Valvoline Welfare Plans for the benefit of the Valvoline Employees and Former Valvoline Employees, as applicable.
Subject to the Valvoline Group's compliance with the remaining terms of this Agreement, the members of the Valvoline Group shall retain the right to modify, alter, amend or terminate the terms of any Valvoline Welfare Plan to the same extent that a member of the Ashland Global Group had such rights under the corresponding Ashland Global Welfare Plan.

(b) Participation in Valvoline Welfare Plans. Effective as of each applicable Benefit Plan Transfer Date, each Valvoline Employee shall become covered under the applicable Valvoline Welfare Plan and shall cease to be covered under the Welfare Plan maintained by a member of the Ashland Global Group to which such Valvoline Welfare Plan most closely corresponds (such applicable plan, the applicable " Ashland Global Welfare Plan "). Valvoline shall cause the Valvoline Welfare Plans to
(i) waive all limitations as to preexisting conditions, exclusions, service conditions and waiting period limitations and any evidence of insurability requirements applicable to any Valvoline Employees, other than such limitations, exclusions, conditions and requirements that were in effect with respect to such Valvoline Employees as of the applicable Benefit Plan Transfer Date, in each case under the corresponding Ashland Global Welfare Plan and subject to any applicable policies of the Valvoline Group regarding credit to employees who service or employment has not been continuous, and
(ii) honor any deductibles, out-of-pocket maximums and co-payments incurred by the Valvoline Employees under the corresponding Ashland Global Welfare Plan in satisfying the applicable deductibles, out-of-pocket maximums or co-payments under such Valvoline Welfare Plans for the plan year in which the applicable Benefit Plan Transfer Date occurs.

(c) Claims Arising Prior to and Following Benefit Plan Transfer Date. Subject to the reimbursement obligations of the members of the Valvoline Group pursuant to Section 16.01, (i) the members of the Ashland Global Group shall retain responsibility in accordance with the Ashland Global Welfare Plans for all reimbursement claims (such as health and dental care claims) for expenses incurred by, for all non-reimbursement claims (such as life insurance claims) incurred by and for providing continued health care coverage under COBRA with respect to Valvoline Employees and Former Valvoline Employees (and their dependents and beneficiaries)

under such plans prior to each applicable Benefit Plan Transfer Date and (ii) the members of the Valvoline Group shall retain responsibility in accordance with the Valvoline Welfare Plans for all reimbursement claims (such as health and dental care claims) for expenses incurred by, for all non-reimbursement claims (such as life insurance claims) incurred by and for providing continued health care coverage under COBRA with respect to Valvoline Employees and Former Valvoline Employees (and their dependents and beneficiaries) under such plans on or following each applicable Benefit Plan Transfer Date. For purposes of this Section 5.01(c), a benefit claim shall be deemed to be incurred as follows: (1) health, dental, vision and prescription drug benefits (including in respect of hospital confinement), upon provision of such services, materials or supplies and
(2) life, accidental death and dismemberment and business travel accident insurance benefits, upon the death, cessation of employment or other event giving rise to such benefits.

(d) No Transfer of Assets Pertaining to Welfare Plans. Except as otherwise described in Section 16.01, nothing in this Agreement shall require any member of the Ashland Global Group or any Ashland Global Welfare Plan to transfer assets or reserves with respect to the Ashland Global Welfare Plans to any member of the Valvoline Group or any Valvoline Welfare Plan.

SECTION 5.02. Workers' Compensation Claims. Effective as of August 1, 2016, a member of the Valvoline Group has assumed liability for the Valvoline Legacy Claims (to the extent related to work-related injury or illness (including workers' compensation claims, disability or other insurance providing medical care and/or compensation to injured workers)) and shall be obligated to reimburse the members of the Ashland Global Group in accordance with Section 16.01 with respect thereto.
Subject to the reimbursement obligations of the members of the Valvoline Group pursuant to Section 16.01, in the case of any workers' compensation claim of any Valvoline Employee or Former Valvoline Employee who participates in a workers' compensation plan of a member of the Ashland Global Group (an "Ashland Global Workers' Compensation Plan"), such claim shall be covered (a) under such Ashland Global Workers' Compensation Plan if the event, injury, illness or condition giving rise to such workers' compensation claim (the applicable "Workers' Compensation Event") occurred prior to the applicable Benefit Plan Transfer Date and (b) under a workers' compensation plan of a member of the Valvoline Group (a "Valvoline Workers' Compensation Plan") if the applicable Workers' Compensation Event occurred on or following the applicable Benefit Plan Transfer Date. Subject to the reimbursement obligations of the members of the Valvoline Group pursuant to Section 16.01, if the applicable Workers' Compensation Event occurs over a period both preceding and following the applicable Benefit Plan Transfer Date, the claim shall be covered jointly under the Ashland Global Workers' Compensation Plan and the Valvoline Workers' Compensation Plan and shall be equitably apportioned between them based upon the relative periods of time that the Workers' Compensation Event transpired preceding and following the applicable Benefit Plan Transfer Date.

ARTICLE VI

Pension Plans

SECTION 6.01. U.S. Qualified Pension Plans. (a) (i) Assumption of Ashland Global Pension Plans. Effective as of August 1, 2016, a member of the Valvoline Group has assumed liability for the Ashland Hercules Pension Plan, and thereafter shall be obligated to reimburse the members of the Ashland Global Group in accordance with Section 16.01 with respect to any contributions with respect to such plan and any plan-related expenses that are not payable by the Ashland Hercules Pension Plan Trust, in each case that become payable on or after August 1, 2016. Effective as of a date prior to the date hereof, a member of the Valvoline Group assumed and became the sponsor of each of the Ashland Hercules Pension Plan and the Ashland Hercules Pension Plan Trust, and thereafter any required contributions with respect to the Ashland Hercules Pension Plan and any plan-related expenses that are not payable by the Ashland Hercules Pension Plan Trust shall be made by the Valvoline Group. The Parties hereby agree that any required contributions with respect to the Ashland Hercules Pension Plan and any plan-related expenses that are not payable by the Ashland Hercules Pension Plan

Trust, in each case that became payable prior to August 1, 2016 and had not been satisfied as of August 1, 2016, shall be Ashland Global Liabilities.

(ii) Effective as of immediately following the assumption of the sponsorship of the Ashland Hercules Pension Plan as described in the immediately preceding paragraph, (1) Valvoline has and shall cause the Ashland Hercules Pension Plan and the Ashland Hercules Pension Plan Trust to make any benefit payments required thereunder in respect of the benefits accrued or deemed accrued under the Ashland Hercules Pension Plan as of the date of such assumption and thereafter and (2) the members of the Ashland Global Group shall have no further obligations to provide the participants in the Ashland Hercules Pension Plan with benefits accrued or deemed accrued thereunder prior to, on or after the date of such assumption. Notwithstanding anything in this Agreement to the contrary, in the event that any Action results in a Liability relating to the operation of the Ashland Hercules Pension Plan prior to the assumption of the sponsorship of such plan as described in the immediately preceding paragraph, such Liability shall be allocated among the Parties in accordance with their Proportionate Share Factors; provided that, in the event such Action results in a requirement to provide pension benefits to a plan participant (or his or her dependents or beneficiaries), such benefits shall be paid from the Ashland Hercules Pension Plan Trust, rather than allocated among the Parties as described in this sentence.

(b) Spin-Off of Certain Pension Liabilities. As of a date prior to the date here of (such date, the " Pension Spin-Off Date "), (i) each Hopewell Pension Plan Participant ceased to participate in or accrue additional benefits under the Ashland Hercules Pension Plan and became a participant in the CHPP, (ii) the CHPP assumed and became responsible for the benefits accrued or deemed accrued under the Ashland Hercules Pension Plan as of the Pension Spin-Off Date in respect of the Hopewell Pension Plan Participants (such benefits, the "Transferred to CHPP Accrued Benefits "), (iii) Ashland Global has and shall cause the CHPP to make any required benefit payments in respect of the Transferred to CHPP Accrued Benefits and (iv) none of the members of the Valvoline Group, the Ashland Hercules Pension Plan nor the Ashland Hercules Pension Plan Trust shall have any obligation to provide the Hopewell Pension Plan Participants with benefits accrued or deemed accrued under the Ashland Hercules Pension Plan prior to, on or after the Pension Spin-Off Date.

(c) Asset Transfers. (i) Effective on or around the Pension Spin-Off Date, assets, in such form as the administrator of the Ashland Hercules Pension Plan determined in its sole discretion, in an amount (the " Initial CHPP Transfer Amount ") equal to the product of (1) a reasonable estimate of the Section 414(l) Amount and (2) 0.80, as determined by an enrolled actuary selected by Ashland Global in its sole discretion (the " Actuary"), were transferred from the Ashland Hercules Pension Plan Trust to the CHPP Trust.

(ii) As soon as practicable following the Pension Spin-Off Date, the Parties shall cause an additional transfer of assets in such form as the administrator of the Ashland Hercules Pension Plan shall determine in its sole discretion, (1) from the Ashland Hercules Pension Plan Trust to the CHPP Trust in an amount equal to the Final CHPP Transfer Amount, if the Final CHPP Transfer Amount is a positive number, or (2) from the CHPP Trust to the Ashland Hercules Pension Plan Trust in an amount equal to the Final CHPP Transfer Amount, if the Final CHPP Transfer Amount is a negative number (the date of such transfer, the "CHPP True-Up Transfer Date ").

(d) Filings. The Parties shall cooperate in making all appropriate filings required under the Code and ERISA in connection with the transfers described in this Section 6.01.

SECTION 6.02. Excess Benefit and Supplemental Pension Plans; Establishment of Valvoline Plans. (a) Effective as of August 1, 2016, a member of the Valvoline Group has assumed liability for each Ashland Global Excess Benefit and Supplemental Pension Plan, including those set forth on Schedule 6.02 , and shall be obligated to reimburse the members of the Ashland Global Group in accordance with Section 16.01 with respect to any required payments under the Ashland Global Excess Benefit and Supplemental Pension Plans made after August 1, 2016 (whether relating to Valvoline Employees, Former Valvoline Employees, Ashland Global Employees or Former Ashland Global Employees and regardless of when accrued,

earned or vested), including with respect to any Liabilities that became payable prior to, and have not been satisfied as of, August 1, 2016. Effective as of a date prior to the date hereof (the "Excess Benefit Plan Assumption Date"), a member of the Valvoline Group assumed and became the sponsor of the Ashland Global Excess Benefit and Supplemental Pension Plans (such plans, collectively, following such assumption, the "Valvoline Excess Benefit and Supplemental Pension Plans"). The Parties may mutually agree in writing that, for a period following the Excess Benefit Plan Assumption Date to be agreed by the Parties, a member of Ashland Global Group shall continue to process the payments (but not otherwise assume any Liability for such payments) under the Valvoline Excess Benefit and Supplemental Pension Plan on behalf of the applicable member of the Valvoline Group. From and after the Excess Benefit Plan Assumption Date, the members of the Valvoline Group shall be liable for all benefits accrued or deemed accrued under the Valvoline Excess Benefit and Supplemental Pension Plans as of the Excess Benefit Plan Assumption Date (whether relating to Valvoline Employees, Former Valvoline Employees, Ashland Global Employees or Former Ashland Global Employees and regardless of when accrued, earned or vested) and thereafter, and for all other Liabilities relating to the Valvoline Excess Benefit and Supplemental Pension Plans, including any obligations relating to the reporting of taxes and remitting the amounts of any such taxes required to be withheld (including any Employment Taxes) to the appropriate Governmental Authority in connection with any payments to participants in such plan. All distributions from the Valvoline Excess Benefit and Supplemental Pension Plans, to the extent applicable, shall be administered in a manner consistent with the provisions of Section 409A of the Code and the regulations promulgated thereunder. Except as required to comply with Section 409A of the Code, the members of the Valvoline Group shall not have any obligation to allow participants in the Valvoline Excess Benefit and Supplemental Pension Plans to accrue additional benefits under such plans from and after the Excess Benefit Plan Assumption Date.

(b) No Distributions. The Parties acknowledge that none of the transactions contemplated by this Agreement shall trigger a payment or distribution of compensation under the Ashland Global Excess Benefit and Supplemental Pension Plans (or the Valvoline Excess Benefit and Supplemental Plans) for any participant therein and, consequently, the payment or distribution of any compensation to which any such participant is entitled under such plan shall occur upon such participant's separation from service from Valvoline or its Subsidiaries or Ashland Global or its Subsidiaries, as applicable, or at such other time as provided pursuant to the terms of the Valvoline Excess Benefit and Supplemental Pension Plans.

(c) Limitation of Liability. In no event shall any member of the Ashland Global Group have any responsibility for any failure of the Ashland Global Excess Benefit and Supplemental Pension Plans (or the Valvoline Excess Benefit and Supplemental Pension Plans) to be administered in accordance with their terms and applicable Law, including any failure to properly administer the accounts of the participants therein and their respective beneficiaries.

(d) No Transfer of Assets Pertaining to Excess Benefit Plan. Except as otherwise described in Section 16.01, nothing in this Agreement shall require any member of the Ashland Global Group to transfer assets or reserves with respect to the Ashland Global Excess Benefit and Supplemental Pension Plans to any member of the Valvoline Group; provided that the Parties hereby acknowledge that prior to the date hereof a member of the Valvoline Group assumed and became the sponsor of the Hercules Rabbi Trusts.

SECTION 6.03. Non-U.S. Pension Plans. The Parties agree to comply with the provisions of Schedule 6.03.

SECTION 6.04. LESOP. Effective as of a date prior to the date hereof, a member of the Valvoline Group assumed and became the sponsor of the LESOP and the LESOP Trust and thereafter any required contributions with respect to the LESOP (whether relating to Valvoline Employees, Former Valvoline Employees, Ashland Global Employees or Former Ashland Global Employees) and any plan-related expenses that are not payable by the LESOP Trust shall be made by a member of the Valvoline Group. At a time and in a manner to be determined by Ashland Global in its sole discretion, the LESOP shall be merged with and into a

Valvoline 401(k) Plan. The treatment of the LESOP offset accounts in connection with such merger and the treatment of any Ashland Global Common Stock in the LESOP prior to the Distribution shall be determined by Ashland Global in its sole discretion.

ARTICLE VII

401(k) Plans

SECTION 7.01. Establishment of Valvoline 401(k) Plan. Effective as of no later than the applicable Benefit Plan Transfer Date, Valvoline shall establish or cause to be established one or more defined contribution plans and trusts for the benefit of the Valvoline Employees (collectively, the "Valvoline 401(k) Plans"). Each Valvoline 401(k) Plan shall have terms substantially similar in all material respects to the Ashland Global 401(k) plan to which it most closely corresponds (the applicable "Ashland Global 401(k) Plan"), except as otherwise determined by Ashland Global in its sole discretion. The members of the Valvoline Group shall be responsible for taking or causing to be taken all necessary, reasonable and appropriate actions to establish, maintain and administer the Valvoline 401(k) Plans so that they qualify under Section 401(a) of the Code and the related trusts thereunder are exempted from Federal income taxation under Section 501(a)(1) of the Code. For the avoidance of doubt, nothing in this Agreement shall be construed to require Valvoline to maintain any investment option which the fiduciaries of the Valvoline 401(k) Plan deem to be imprudent or inappropriate for the Valvoline 401(k) Plan or which cannot be maintained without commercially unreasonable cost or administrative burden for the Valvoline 401(k) Plan and its administrator.

SECTION 7.02. Transfer and Assumption of Liabilities. Subject to the transfer of assets described in Section 7.03 effective as of the applicable Benefit Plan Transfer Date, Valvoline and the Valvoline 401(k) Plans shall assume and be solely responsible for all Liabilities under the corresponding Ashland 401(k) Plan for or relating to Valvoline Employees. The members of the Valvoline Group shall be responsible for all ongoing rights of or relating to Valvoline Employees for future participation (including the right to make contributions through payroll deductions) in the Valvoline 401(k) Plans. The Ashland Global 401(k) Plans shall retain and be solely responsible for all Liabilities under the Ashland Global 401(k) Plans relating to Ashland Employees, Former Ashland Employees and Former Valvoline Employees.

SECTION 7.03. Trust to Trust Transfer of Assets. Effective as of each applicable Benefit Plan Transfer Date, Ashland Global shall cause the account balances (including any outstanding loan balances) in the applicable Ashland Global 401(k) Plan attributable to Valvoline Employees to be transferred in cash and in-kind (including participant loans) to the applicable Valvoline 401(k) Plan, and Valvoline shall cause the Valvoline 401(k) Plans to accept such transfer of accounts and underlying assets. Such transfer shall be conducted in accordance with Section 414(l) of the Code, Treasury Regulation Section 1.414(l)-1 and Section 208 of ERISA. Without limiting the generality of the foregoing, the fiduciaries of the Valvoline 401(k) Plans and the Ashland Global 401(k) Plans shall cooperate in good faith to effect the transfers contemplated by this Section 7.03 in an efficient and effective manner and in the best interests of participants and beneficiaries, including determining whether and to what extent any investments held under the Ashland Global 401(k) Plans (other than participant loans) shall be liquidated prior to the date of such transfer in order to enable the value of such investments to be transferred to the Valvoline 401(k) Plans in cash or cash equivalents.

SECTION 7.04. Stock Fund Considerations. (a) To the extent that Valvoline Employees hold shares of Ashland Global Common Stock under the Valvoline 401(k) Plans, such shares will be deposited in a stock fund under the applicable Valvoline 401(k) Plan, subject to such limitations (including the ability to dispose of such shares of Ashland Global Common Stock in accordance with the terms of the Valvoline 401(k) Plans), or the removal of such stock fund, in each case, as determined solely by Valvoline or the applicable fiduciary of the Valvoline 401(k) Plan. Following the Distribution, Valvoline Employees shall not be permitted to acquire shares of Ashland Global Common Stock in any stock fund under the Valvoline 401(k) Plans, except for the shares of Ashland Global Common Stock held at the time of the Distribution.

(b) To the extent that Ashland Employees, Former Ashland Employees or Former Valvoline Employees receive shares of Valvoline Common Stock in connection with the Distribution with respect to Ashland Global Common Stock held under the Ashland Global 401(k) Plan, such shares will be deposited in the Ashland Global 401(k) Plan, subject to such limitations (including the ability to dispose of such shares of Valvoline Common Stock in accordance with the terms of the Ashland Global 401(k) Plans), or the removal of such fund, in each case, as determined solely by Ashland Global or the applicable fiduciary of the Ashland Global 401(k) Plan. Following the Distribution, Ashland Employees, Former Ashland Employees and Former Valvoline Employees shall not be permitted to acquire shares of Valvoline Common Stock fund under the Ashland Global 401(k) Plan, except for the shares of Valvoline Common Stock acquired in connection with the Distribution.

(c) Ashland Global and Valvoline shall assume sole responsibility for ensuring that their respective 401(k) plans are maintained in compliance with applicable laws (including the fiduciary requirements under ERISA) with respect to holding shares of their respective common stock and common stock of the other Party.

ARTICLE VIII

Equity-Based Incentive Compensation Awards

SECTION 8.01. Adoption of the Valvoline Equity Incentive Plan.
Effective as of no later than the Initial Public Offering, Valvoline shall establish or cause to be established an equity-based incentive compensation plan (the "Valvoline Equity Plan") for purposes of awarding certain Valvoline non-employee directors, officers and employees equity-based incentive compensation on the terms and conditions set forth therein; provided that Valvoline shall not grant any equity-based incentive compensation awards pursuant to the Valvoline Equity Plan or otherwise prior to the Distribution without Ashland Global's prior written consent.

SECTION 8.02. Treatment of Outstanding Awards. The Parties shall use commercially reasonable efforts to take all actions necessary or appropriate so that the Ashland Global Restricted Share Units, Ashland Global Restricted Shares and Ashland Global Performance Units held by Valvoline Employees who remain employed by a member of the Valvoline Group as of immediately following the Distribution (each a, "Continuing Valvoline Employee"), and the Ashland Global Stock Appreciation Rights held by Valvoline Employees (whether or not they are Continuing Valvoline Employees), shall be treated as follows, in lieu of the receipt of any shares of Valvoline Common Stock with respect to such Ashland Global Equity Awards in connection with the Distribution; provided that the provisions of this Section 8.02 shall be effected in a manner that complies with applicable law:

(a) Initial Public Offering. No adjustments shall be made to any Ashland Global Equity Awards in connection with the execution of this Agreement or the Initial Public Offering.

(b) Stock Appreciation Rights. Effective as of immediately prior to the Distribution, each award of Ashland Global Stock Appreciation Rights held by a Valvoline Employee (whether or not the Valvoline Employee is a continuing Valvoline Employee) that is outstanding and unexercised as of immediately prior to the Distribution, whether vested or unvested, shall be assumed by Valvoline and converted into an award of stock appreciation rights with respect to a number of shares of Valvoline Common Stock equal to the product of (i) the number of shares of Ashland Global Common Stock subject to such award of Ashland Global Stock Appreciation Rights as of immediately prior to the Distribution multiplied by (ii) the Equity Award Exchange Ratio, rounded down to the nearest whole share, at a base price per share equal to the quotient of (A) the base price per share of such award of Ashland Global Stock Appreciation Rights as of immediately prior to the Distribution divided by (B) the Equity Award Exchange Ratio, rounded up to the nearest whole cent, and otherwise on the same terms and conditions as were applicable to such award of Ashland Global Stock Appreciation Rights as of immediately

prior to the Distribution.

(c) Restricted Share Units. Effective as of immediately prior to the Distribution, each award of Ashland Global Restricted Share Units held by a Continuing

Valvoline Employee that is outstanding as of immediately prior to the Distribution shall be assumed by Valvoline and converted into an award of restricted share units with respect to a number of shares of Valvoline Common Stock equal to the product of (i) the number of shares of Ashland Global Common Stock subject to such award of Ashland Global Restricted Share Units as of immediately prior to the Distribution multiplied by
(ii) the Equity Award Exchange Ratio, rounded to the nearest whole share, and otherwise on the same terms and conditions as were applicable to such award of Ashland Global Restricted Share Units as of immediately prior to the Distribution.

(d) Restricted Shares. Effective as of immediately prior to the Distribution, each award of Ashland Global Restricted Shares held by a Continuing Valvoline Employee that is outstanding as of immediately prior to the Distribution shall be assumed by Valvoline and converted into an award of a number of restricted shares of Valvoline Common Stock equal to the product of (i) the number of shares of Ashland Global Common Stock subject to such award of Ashland Global Restricted Shares as of immediately prior to the Distribution multiplied by (ii) the Equity Award Exchange Ratio, rounded to the nearest whole share, and otherwise on the same terms and conditions as were applicable to such award of Ashland Global Restricted Shares as of immediately prior to the Distribution.

(e) Performance Units. Effective as of immediately prior to the Distribution, each award of Ashland Global Performance Units held by a Continuing Valvoline Employee that is outstanding as of immediately prior to the Distribution shall be assumed by Valvoline and converted into an award of restricted share units with respect to a number of shares of Valvoline Common Stock equal to the product of (i) the number of shares of Ashland Global Common Stock subject to such award of Ashland Global Performance Units as of immediately prior to the Distribution, determined based on the applicable Specified Performance Factor, multiplied by (ii) the Equity Award Exchange Ratio, rounded to the nearest whole share, and otherwise on the same terms and conditions as were applicable to such award of Ashland Global Performance Units as of immediately prior to the Distribution (except that such award of restricted share units as so converted shall not be subject to any performance goals and the vesting of such award shall be based solely on the continued service of the holder thereof, subject to any terms and conditions relating to accelerated vesting upon a termination of the holder's employment; provided that any terms and conditions regarding accelerated or continued vesting in connection with the holder's retirement shall no longer apply following the Distribution).

(f) Compliance with Applicable Law. The Parties shall take such additional or alternative actions as deemed necessary or advisable by Ashland Global in its sole discretion in order to effectuate the foregoing provisions of this Article VIII in compliance with securities and tax Laws and other legal requirements associated with equity-based incentive compensation awards or in order to avoid adverse legal, accounting or tax consequences for the members of the Ashland Global Group, the members of the Valvoline Group or any award holders.

ARTICLE IX

Annual Bonus Awards; Retention; Individual Agreements

SECTION 9.01. Annual Bonus Awards; Retention. The members of the Valvoline Group shall be responsible for the payment of any annual bonus awards to any Valvoline Employee or Former Valvoline Employee with respect to the fiscal year ending September 30, 2016 and each fiscal year thereafter, in each case pursuant to the applicable annual bonus award program established for the Valvoline Business for such

fiscal year. Valvoline shall be responsible for the payment of any retention bonus awards to each eligible Valvoline Employee and Former Valvoline Employee, whether pursuant to plans, agreements or arrangements sponsored or maintained by a member of the Ashland Global Group or a member of the Valvoline Group.

SECTION 9.02. Individual Agreements. Effective as of a date prior to the date hereof, a member of the Valvoline Group has assumed liability for each Individual Agreement in which any Valvoline Employee or Former Valvoline Employee, on the one hand, and any member of the Ashland Group, on the other hand, are parties, and thereafter shall be obligated to reimburse the members of the Ashland Group in accordance with Section 16.01 with respect thereto. Without limiting the generality of the foregoing, in the event that a change in control of Ashland Global shall occur following the date hereof and prior to the Distribution Date which would activate the protection afforded under the change in control agreements to which Ashland Global is a party, the members of the Valvoline Group shall be responsible for the payment of any compensation and benefits that become payable under the terms of any such agreement to any Valvoline Employee who is a party to any such agreement; provided that any compensation or benefits payable by a member of the Ashland Global Group or payable in the form of Ashland Global Common Stock shall be subject to the reimbursement obligations of the members of the Valvoline Group pursuant to Section 16.01.

ARTICLE X

Deferred Compensation Plans

SECTION 10.01. Establishment of Valvoline Deferred Compensation Plans. Effective as of August 1, 2016, a member of the Valvoline Group has assumed liability under each Ashland Global Deferred Compensation Plan, including those set forth on Schedule 10.01 , for, and shall be obligated to reimburse the members of the Ashland Global Group in accordance with Section 16.01 with respect to, any required payments made to any non-employee member of the board of directors of Valvoline or any Valvoline Employee under the Ashland Global Deferred Compensation Plans after August 1, 2016, including with respect to any Liabilities that became payable prior to, and have not been satisfied as of, August 1, 2016. Effective as of no later than the Initial Public Offering, Valvoline shall establish or cause to be established nonqualified deferred compensation plans for the benefit of eligible Valvoline Employees and Valvoline non-employee directors (the " Valvol ine Deferred Compensation Plans "). The terms of the Valvoline Deferred Compensation Plans shall be substantially similar to the terms of the Ashland Global Deferred Compensation Plans, except that (a) the plan sponsor and plan administrator of the Valvoline Deferred Compensation Plans shall be a member of the Valvoline Group and (b) the Valvoline Deferred Compensation Plans for the benefit of Valvoline Employees shall not permit new deferrals of any compensation earned in calendar year 2016 (and, for the avoidance of doubt, existing deferrals shall remain in effect unless expressly provided otherwise).

SECTION 10.02. Participation in Deferred Compensation Plans; Allocation of Liabilities. (a) Except as required to comply with Section 409A of the Code, (i) the non-employee members of the board of directors of Valvoline shall be permitted to participate in the applicable Valvoline Deferred Compensation Plan as of the Initial Public Offering with respect to compensation earned for their service on the board of directors of Valvoline; provided that, in the case of any non-employee member of the board of directors of Valvoline who is set forth on Schedule 10.02 (each, a "Transitioning Director "), compensation earned for his or her service on the board of directors of Valvoline for the calendar year in which the Initial Public Offering occurs shall be subject to such director's existing election to defer (or not to defer) his or her compensation earned for service on the board of directors of Ashland Global for such calendar year, (ii) each Transitioning Director shall be permitted to continue to participate in the applicable Ashland Global Deferred Compensation Plan with respect to compensation earned for his or her service on the board of directors of Ashland Global in accordance with such director's existing election to defer (or not to defer) and (iii) all balances to the credit of the Transitioning Directors under the applicable Ashland Global Deferred Compensation Plan shall be credited to the account of such individual under the applicable Valvoline Deferred Compensation Plan effective as of the Distribution.

Valvoline and the applicable Valvoline Deferred Compensation Plan shall assume and be solely responsible for all Liabilities under the applicable Ashland Global Deferred Compensation Plan for or relating to the

Transitioning Directors as of the Distribution, including all obligations relating to the reporting of taxes and remitting the amounts of any such taxes required to be withheld (including any Employment Taxes) to the appropriate Governmental Authority. All elections made by such individual under the applicable Ashland Global Deferred Compensation Plan with respect to such balances shall remain in effect under the applicable Valvoline Deferred Compensation Plan with respect to such balances, unless and until such elections are changed in accordance with Section 409A of the Code and the terms of the applicable Valvoline Deferred Compensation Plan. Any such balances that are denominated or hypothetically invested in shares of Ashland Global Common Stock as of immediately prior to the Distribution shall become denominated or hypothetically invested in shares of Valvoline Common Stock, as adjusted to preserve the value of such balance in accordance with the methodology described in Section 8.02(c).

(b) Except as required to comply with Section 409A of the Code and subject to the reimbursement obligations of the members of the Valvoline Group pursuant to Section 16.01, (i) eligible Valvoline Employees shall be permitted to continue to participate in each applicable Ashland Global Deferred Compensation Plan with respect to compensation earned in the calendar year in which the Initial Public Offering occurs, and all existing elections made by such individual under the applicable Ashland Global Deferred Compensation Plan with respect to such calendar year shall remain in effect during the portion of such calendar year that follows the Initial Public Offering, (ii) eligible Valvoline Employees shall be permitted to participate in the applicable Valvoline Deferred Compensation Plan with respect to the compensation earned in the calendar year following the calendar year in which the Initial Public Offering occurs and calendar years thereafter and (iii) all balances to the credit of the Valvoline Employees under the applicable Ashland Global Deferred Compensation Plan shall be credited to the accounts of such individuals under the applicable Valvoline Deferred Compensation Plan as of January 1, 2017. Valvoline and the applicable Valvoline Deferred Compensation Plan shall assume and be solely responsible for all Liabilities under the applicable Ashland Global Deferred Compensation Plan for or relating to such Valvoline Employees as of January 1, 2017, including all obligations relating to the reporting of taxes and remitting the amounts of any such taxes required to be withheld (including any Employment Taxes) to the appropriate Governmental Authority. All elections made by each such plan participants under the applicable Ashland Global Deferred Compensation Plan with respect to such balances shall remain in effect under the applicable Valvoline Deferred Compensation Plan with respect to such balances, unless and until such elections are changed in accordance with Section 409A of the Code and the terms of the applicable Valvoline Deferred Compensation Plan. Any such balances that are denominated or hypothetically invested in shares of Ashland Global Common Stock as of immediately prior to January 1, 2017 that remain so denominated or invested as of the Distribution shall become denominated or hypothetically invested in shares of Valvoline Common Stock effective as of the Distribution, as adjusted to preserve the value of such balances in accordance with the methodology described in Section 8.02(c).

SECTION 10.03. No Distributions. The Parties acknowledge that none of the transactions contemplated by this Agreement shall trigger a payment or distribution of compensation under the Ashland Global Deferred Compensation Plans or Valvoline Deferred Compensation Plans for any Valvoline Employees or Valvoline non-employee directors and, consequently, the payment or distribution of any compensation to which any such employee or non-employee director is entitled under such plans will occur upon such employee's or such non-employee director's separation from service from Valvoline or its Subsidiaries, as applicable, or at such other time as provided pursuant to the terms of the applicable plan.

SECTION 10.04. Limitation of Liability. In no event shall the members of the Ashland Global Group have any responsibility for any failure of the Ashland Global Deferred Compensation Plans or the Valvoline Deferred Compensation Plans to be administered in accordance with their terms and applicable Law, including any failure to properly administer the accounts of Valvoline Employees and Valvoline non-employee directors and their respective beneficiaries in such Valvoline Deferred Compensation Plans.

SECTION 10.05. No Transfer of Assets Pertaining to Deferred Compensation Plans. Except as otherwise described in Section 16.01, nothing in this Agreement shall require any member of the Ashland Global Group or the Ashland Global Deferred Compensation Plans to transfer assets or reserves with respect to the Ashland Global Deferred Compensation Plans to any member of the Valvoline Group or the Valvoline Deferred Compensation Plans; provided that the Parties hereby acknowledge that prior to the date hereof a member of the Valvoline Group assumed and became the sponsor of the Hercules Rabbi Trusts.

ARTICLE XI

Vacation and Other Paid Time Off

SECTION 11.01. Vacation and Other Paid Time Off . Effective as of August 1, 2016, a member of the Valvoline Group has assumed Liability for vacation and other paid time off benefits accrued or earned (but not yet taken) by the Valvoline Employees as of August 1, 2016 or accrued or earned by Valvoline Employees thereafter, and shall be obligated to reimburse the members of the Ashland Global Group in accordance with Section 16.01 with respect to required payments to the Valvoline Employees in lieu of such vacation or other paid time off benefits pursuant to applicable Law or any applicable works council, collective bargaining or other labor union agreement.

ARTICLE XII

Retiree Medical and Welfare Liabilities

SECTION 12.01. Assumption of Liabilities. Effective as of August 1, 2016, a member of the Valvoline Group (a) has assumed Liability for all post- employment retiree medical, dental and life insurance benefits in the United States (whether relating to Valvoline Employees, Former Valvoline Employees, Ashland Global Employees or Former Ashland Global Employees and regardless of when accrued, earned or vested), including any such Liabilities arising under the Ashland Inc. Medical Plan; provided , however , that Valvoline has not assumed, and the members of the Ashland Global Group shall retain, any such Liabilities relating to (i) the Hercules Incorporated Executive Survivor Benefit Plans (Plan I and Plan II) and (ii) post-employment retiree medical, dental and life insurance benefits associated with any collective bargaining agreements other than those set forth on Schedule 3.01, and (b) shall be obligated to reimburse the members of the Ashland Group in accordance with Section 16.01 with respect to required payments of any such Liabilities so assumed by such member of the Valvoline Group, including any Liabilities that became payable prior to, and have not been satisfied as of, August 1, 2016.

ARTICLE XIII

Non-Solicitation

SECTION 13.01. Non-Solicitation. (a) During the period commencing on the Distribution Date and concluding on the one-year anniversary thereof, Ashland Global agrees that neither it nor any member of the Ashland Global Group shall, without Valvoline's prior written consent, directly or indirectly (including through a representative of a member of the Ashland Global Group) solicit for employment or to provide services (whether as a director, officer, employee, consultant or temporary employee) any person who is at such time, or who at any time during the three-month period prior to such time had been, employed by or providing services to a member of the Valvoline Group (whether as a director, officer, employee, consultant or temporary employee), except that this Section 13.01(a) shall not preclude any member of the Ashland Global Group or any other person from entering into discussions with or soliciting any person (i) who responds to any public advertisement or general solicitation; provided that the soliciting party did not instruct such agency to target such person specifically, (ii) who initiates discussions with the soliciting party regarding such employment on his or her own initiative and without direct solicitation by the soliciting party or its

representatives, or (iii) at any time after the date of such person's termination of employment or services by a member of the Valvoline Group without cause.

(b) During the period commencing on the Distribution Date and concluding on the one-year anniversary thereof, Valvoline agrees that neither it nor any member of the Valvoline Group shall, without Ashland Global's prior written consent, directly or indirectly (including through a representative of a member of the Valvoline Group) solicit for employment or to provide services (whether as a director, officer, employee, consultant or temporary employee) any person who is at such time, or who at any time during the three-month period prior to such time had been, employed by or providing services to a member of the Ashland Global Group, except that this Section 13.01(b) shall not preclude any member of the Valvoline Group or any other person from entering into discussions with or soliciting any person (i) who responds to any public advertisement or general solicitation; provided that the soliciting party did not instruct such agency to target such person specifically, (ii) who initiates discussions with the soliciting party regarding such employment on his or her own initiative and without direct solicitation by the soliciting party or its representatives or (iii) at any time after the date of such person's termination of employment or services by a member of the Ashland Global Group without cause.

ARTICLE XIV

Payroll Services

SECTION 14.01. Payroll Services . Subject to the obligations of the Parties as set forth in the TSA or RTSA, as applicable, as of no later than the Initial Public Offering, (a) the members of the Valvoline Group shall be solely responsible for providing payroll services (including for any payroll period already in progress) to the Valvoline Employees and Former Valvoline Employees and for any Liabilities with respect to garnishments of the salary and wages thereof and (b) the members of the Ashland Global Group shall be solely responsible for providing payroll services (including for any payroll period already in progress) to the Ashland Global Employees and Former Ashland Global Employees and for any Liabilities with respect to garnishments of the salary and wages thereof. Notwithstanding the foregoing, the Parties shall cooperate to provide such payroll services to Former Valvoline Employees.

ARTICLE XV

Cooperation; Access to Information; Litigation; Confidentiality

SECTION 15.01. Cooperation. Following the date of this Agreement, the Parties shall, and shall cause their respective Subsidiaries to, use commercially reasonable efforts to cooperate with respect to any employee compensation or benefits matters that either Party reasonably determines require the cooperation of the other Party in order to accomplish the objectives of this Agreement; provided that Ashland Global shall determine in its sole discretion which (if any) tax or securities filings, rulings or other actions to pursue prior to the Distribution regarding the treatment of Ashland Global Equity Awards in connection with the Distribution; provided , further , that any Liabilities that may be incurred as a result of the Parties taking or failing to take any such actions shall be Valvoline Liabilities if related to Valvoline Employees or Former Valvoline Employees and shall be Ashland Global Liabilities if related to Ashland Global Employees or Former Ashland Global Employees. Without limiting the generality of the preceding sentence, (a) the Parties shall cooperate in connection with any audits of any Benefit Plan with respect to which such Party may have Information, (b) the Parties shall cooperate in connection with any audits of their respective payroll services (whether by a Governmental Authority in the U.S. or otherwise) in connection with the services provided by one Party to the other Party, (c) the Parties shall cooperate in connection with administering the Ashland Global Benefit Plans, Valvoline Benefit Plans, Ashland Global Welfare Plans and Valvoline Welfare Plans and (d) Ashland Global and Valvoline shall cooperate in good faith in connection with the notification and consultation with works councils, labor unions and other employee representatives of employees of the Ashland Global Group and the Valvoline

Group. The obligations of the Ashland Global Group and the Valvoline Group to cooperate pursuant to this Section 15.01 shall remain in effect until the later of (i) the date all audits of all Benefit Plans with respect to which a Party may have Information have been completed or (ii) the date the applicable statute of limitations with respect to such audits has expired.

SECTION 15.02. Access to Information; Litigation; Confidentiality. Article VII of the Separation Agreement is hereby incorporated into this Agreement *mutatis mutandi* .

ARTICLE XVI

Reimbursements

SECTION 16.01. Reimbursements by the Valvoline Group.

(a) Promptly following the last business day of each calendar month ending following the date hereof, Ashland Global shall provide Valvoline with one or more invoices, in each case including reasonable substantiating documentation, that set forth the aggregate costs, if any, incurred by any member of the Ashland Global Group during such month (or, in the case of the first calendar month ending after the date hereof, the aggregate costs incurred by any member of the Ashland Global Group on or following August 1, 2016) relating to compensation and benefits provided to the Valvoline Employees and Former Valvoline Employees, including:

(i) as a result of participation in the Ashland Global Benefit Plans or pursuant to an Individual Agreement (including any change in control agreement described in Section 12.01), including any 401(k) employer-matching contributions and 401(k) profit-sharing contributions in an Ashland Global 401(k) Plan;

(ii) in respect of reimbursement and non-reimbursement claims incurred under the Ashland Global Welfare Plans and continued health care coverage under COBRA; and

(iii) relating to the coverage of a workers' compensation claim under the Ashland Global Workers' Compensation Plan (or, in the case of any Workers' Compensation Event that occurs over a period both preceding and following the applicable Benefit Plan Transfer Date, the coverage of the portion of such claim relating to the time that the applicable Workers' Compensation Event transpired prior to the applicable Benefit Plan Transfer Date (in which case the remainder of such claim shall be covered under a Valvoline Workers' Compensation Plan, as described in Section 5.03, and shall not be subject to reimbursement under this Section 16.01));

as well as any costs of other obligations or Liabilities that a member of the Ashland Global Group elects to, or is compelled to, pay or otherwise satisfy that are or that pursuant to this Agreement have become the responsibility of the members of the Valvoline Group, in each case including any such Liabilities that became payable prior to, but have not been satisfied as of, August 1, 2016.

(b) The costs incurred by the members of the Ashland Global Group with respect to compensation paid to Valvoline Employees and Former Valvoline Employees in the form of Ashland Global Common Stock (whether pursuant to an Ashland Global Equity Award, an Ashland Global Deferred Compensation Plan or an Individual Agreement) shall be determined based on the closing stock price of Ashland Global Common Stock on the New York Stock Exchange Composite Tape on the date of such payment. Any reimbursement made pursuant to this Section 16.01(b) shall be treated by the Parties for all tax purposes as purchase price or partial purchase price for such shares of Ashland Global Common Stock.

(c) The costs described in clauses (ii) and (iii) of Section 16.01(a) shall be determined based on a fixed percentage of the total costs incurred under the applicable plan with respect to such period, determined in a manner that is consistent with the Parties' practices for allocating such costs among the Ashland Global Business and the Valvoline Business as of the date hereof; provided that such percentage shall equal

100% in the case of the Valvoline Instant Oil Change hourly welfare benefit plans.

(d) Within 20 business days following the receipt by Valvoline of each such invoice, Valvoline shall pay Ashland Global an amount in cash equal to the aggregate amounts set forth thereon. In no event shall any member of the Valvoline Group be required to reimburse any member of the Ashland Global Group for any costs (i) that are charged directly to the members of the Valvoline Group in the ordinary course of business consistent with past practice, (ii) with respect to any Ashland Global Liabilities or (iii) for which the Ashland Global Group is reimbursed in respect of a payment provided under an Ashland Global Benefit Plan to the extent such reimbursement reduces the assets in a Hercules Rabbi Trust.

(e) All invoices provided pursuant to this Article XVIII shall be denominated in U.S. dollars.

(f) For the avoidance of doubt, no reimbursement made pursuant to this Section 16.01 shall be treated by the Parties for tax purposes as a distribution from Valvoline to Ashland Global immediately prior to the Distribution or as consideration for any property contributed to a member of the Valvoline Group in connection with the transactions contemplated by this Agreement, the Separation Agreement and the Ancillary Agreements.

ARTICLE XVII

Termination

SECTION 17.01. Termination. This Agreement may be terminated by Ashland Global at any time, in its sole discretion, prior to the Separation (as defined in the Separation Agreement); provided that this Agreement shall automatically terminate upon the termination of the Separation Agreement in accordance with its terms.

SECTION 17.02. Effect of Termination. In the event of any termination of this Agreement in accordance with Section 17.01, none of the Parties (or any of their directors or officers) shall have any Liability or further obligation to any other Party under this Agreement.

ARTICLE XVIII

Miscellaneous

SECTION 18.01. Counterparts; Entire Agreement; Corporate Power.
This Agreement may be executed in one or more counterparts, all of which counterparts shall be considered one and the same agreement, and shall become effective when one or more counterparts have been signed by each Party and delivered to the other Party. This Agreement may be executed by facsimile or PDF signature and a facsimile or PDF signature shall constitute an original for all purposes.

SECTION 18.02. Governing Law; Jurisdiction. This Agreement shall be governed by, and construed in accordance with, the Laws of the State of New York, regardless of the Laws that might otherwise govern under applicable principles of conflicts of Laws thereof. Each Party irrevocably consents to the exclusive jurisdiction, forum and venue of the Commercial Division of the Supreme Court of the State of New York, New York County and the United States District Court for the Southern District of New York over any and all claims, disputes, controversies or disagreements between the Parties or any of their respective Subsidiaries, Affiliates, successors and assigns under or related to this Agreement or any document executed pursuant to this Agreement or any of the transactions contemplated hereby or thereby.

SECTION 18.03. Assignability. Neither this Agreement nor any of the rights, interests or obligations under this Agreement shall be assigned, in whole or in part, by operation of Law or otherwise by either Party without the prior written consent of the other Party. Any purported assignment without such consent shall be void. Subject to the preceding sentences, this Agreement shall be binding upon, inure to the benefit of, and be enforceable by, the Parties and their respective successors and assigns.
Notwithstanding the foregoing, either Party may assign this Agreement without consent in connection with (a) a merger transaction in which such Party is not the surviving entity and the surviving entity acquires or assumes all or substantially all of such Party's assets, or (b) the sale of all or substantially all of such Party's assets; provided , however , that the assignee expressly assumes in writing all of the obligations of the assigning Party under this Agreement, and the assigning Party provides written notice and evidence of such assignment and assumption to the non-assigning Party. No assignment permitted by this Section 18.03 shall release the assigning Party from liability for the full performance of its obligations under this Agreement.

SECTION 18.04. Third-Party Beneficiaries. Except for the indemnification rights under the Separation Agreement of any Ashland Global Indemnitee or Valvoline Indemnitee (as such terms are defined in the Separation Agreement) in their respective capacities as such, (a) the provisions of this Agreement are solely for the benefit of the Parties hereto and are not intended to confer upon any Person (including any Valvoline Employee, Former Valvoline Employee, Ashland Global Employee or Former Ashland Global Employee, or any beneficiary or dependent thereof) except the Parties hereto any rights or remedies hereunder and (b) there are no third-party beneficiaries of this Agreement and this Agreement shall not provide any third person (including any Valvoline Employee, Former Valvoline Employee, Ashland Global Employee or Former Ashland Global Employee, or any beneficiary or dependent thereof) with any remedy, claim, liability, reimbursement, cause of action or other right in excess of those existing without reference to this Agreement and (c) nothing contained in this Agreement shall be treated as an amendment to any Valvoline Benefit Plan or Ashland Global Benefit Plan or prevent the members of the Valvoline Group or the members of the Ashland Global Group from amending or terminating any Benefit Plans.

SECTION 18.05. Notices. All notices or other communications under this Agreement shall be in writing and shall be deemed to be duly given when
(a) delivered in person, (b) on the date received, if sent by a nationally recognized delivery or courier service, or (c) upon the earlier of confirmed receipt or the fifth business day following the date of mailing if sent by registered or certified mail, return receipt requested, postage prepaid, addressed as follows:

If to Ashland Global, to:

ASHLAND GLOBAL HOLDINGS INC.
50 E. RiverCenter Blvd. Covington, KY 41011 Attn: Peter J. Ganz
e-mail: PGanz@ashland.com

with a copy to:

Cravath, Swaine & Moore LLP Worldwide Plaza
825 Eighth Avenue New York, NY 10019
Attn: Susan Webster and Thomas E. Dunn
e-mail: swebster@cravath.com, tdunn@cravath.com
Facsimile: (212) 474-3700

If to Valvoline, to:

VALVOLINE INC.
3499 Blazer Parkway
Lexington, KY 40509
Attn: Julie M. O'Daniel
e-mail: JMODaniel@valvoline.com

Either Party may, by notice to the other Party, change the address to which such notices are to be given.

SECTION 18.06. Severability. If any provision of this Agreement or the application thereof to any Person or circumstance is determined by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions hereof, or the application of such provision to Persons or circumstances or in jurisdictions other than those as to which it has been held invalid or unenforceable, shall remain in full force and effect and shall in no way be affected, impaired or invalidated thereby, so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner materially adverse to either Party. Upon any such determination, any such provision, to the extent determined to be invalid, void or unenforceable, shall be deemed replaced by a provision that such court determines is valid and enforceable and that comes closest to expressing the intention of the invalid, void or unenforceable provision.

SECTION 18.07. Headings. The article, section and paragraph headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement.

SECTION 18.08. Survival of Covenants. Except as expressly set forth in this Agreement, the covenants in this Agreement and the liabilities for the breach of any obligations in this Agreement shall survive the Initial Public Offering and the Distribution, as applicable, and shall remain in full force and effect.

SECTION 18.09. Specific Performance. In the event of any actual or threatened default in, or breach of, any of the terms, conditions and provisions of this Agreement, the affected Party shall have the right to specific performance and injunctive or other equitable relief of its rights under this Agreement, in addition to any and all other rights and remedies at Law or in equity, and all such rights and remedies shall be cumulative. The other Party shall not oppose the granting of such relief on the basis that money damages are an adequate remedy. The Parties agree that the remedies at Law for any breach or threatened breach hereof, including monetary damages, are inadequate compensation for any loss and that any defense in any action for specific performance that a remedy at Law would be adequate is waived. Any requirements for the securing or posting of any bond with such remedy are waived.

SECTION 18.10. Amendments. No provisions of this Agreement shall be deemed waived, amended, supplemented or modified by any Party, unless such waiver, amendment, supplement or modification is in writing and signed by the authorized representative of each Party.

SECTION 18.11. Interpretation. Words in the singular shall be held to include the plural and vice versa and words of one gender shall be held to include the other gender as the context requires. The terms "hereof", "herein" and "herewith" and words of similar import, unless otherwise stated, shall be construed to refer to this Agreement as a whole (including all of the schedules hereto) and not to any particular provision of this Agreement. Article, Section or Schedule references are to the articles, sections and schedules of or to this Agreement unless otherwise specified. Any capitalized terms used in any Schedule to this Agreement but not otherwise defined therein shall have the meaning as defined in this Agreement. Any reference herein to this Agreement, unless otherwise stated, shall be construed to refer to this Agreement as amended, supplemented or

otherwise modified from time to time, as permitted by Section 18.10. The word “including” and words of similar import when used in this Agreement shall mean “including, without limitation”, unless the context otherwise requires or unless otherwise specified. The word “or” shall not be exclusive. All references here in to the “Distribution” and the “Distribution Date” shall be construed to refer to an “Other Disposition” (as defined in the Separation Agreement) or the date of an “Other Disposition”, as applicable.

[*Remainder of page left intentionally blank*]

IN WITNESS WHEREOF, the Patties have caused this Agreement to be executed by their duly authorized representatives.

ASHLAND GLOBAL HOLDINGS INC.,

By /s/ Peter J. Ganz

Name: Peter J. Ganz
Title: Senior Vice President, General Counsel, and Secretary

VALVOLINE INC.,

By /s/ Julie O'Daniel

Name: Julie O'Daniel
Title: General Counsel and Corporate Secretary

Exhibit 10.22

Execution Version

REGISTRATION RIGHTS AGREEMENT (this " Agreement ") made and entered into as of September 22, 2016, between Ashland Global Holdings Inc., a Delaware corporation (" Ashland "), and Valvoline Inc., a Kentucky corporation (the " Company ").

WHEREAS, the Company is offering and selling to the public (the " IPO ") by means of a Registration Statement (File No. 333-211720) initially filed with the Securities and Exchange Commission (the " SEC ") on Form S-1 on May 31, 2016 (the " Registration Statement ") shares of common stock, par value $0.01 per share, of the Company (the " Common Stock ");

WHEREAS, in connection with the IPO, Ashland and the Company have entered into a Separation Agreement of even date herewith (the " Separation Agreement ") and certain other ancillary agreements;

WHEREAS, Ashland currently owns all of the issued and outstanding shares of the Common Stock of the Company;

WHEREAS, Ashland intends to preserve its ability to evaluate strategic options with respect to its remaining ownership interest in the Company after the IPO consistent with its rights and obligations under the Separation Agreement, including pursuant to Section 5.02 thereunder after the Separation Date (as defined in the Separation Agreement); and

WHEREAS, Ashland and the Company desire to make certain arrangements to provide Ashland with registration rights with respect to the Common Stock that it holds.

NOW THEREFORE, in consideration of the mutual covenants and agreements set forth herein and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged and intending to be legally bound hereby, the parties hereby agree as follows:

Section 1. Effectiveness of Agreement.

1.1 Effective Time. This Agreement shall become effective upon the Separation Date (the " Effective Time ").

1.2 Shares Covered. This Agreement covers all shares of Common Stock that are beneficially owned by Ashland as of the Effective Time (the " Shares "). The Shares shall include any securities issued or issuable with respect to the Shares by way of a stock dividend or a stock split or in connection with a combination of shares, recapitalization, merger, consolidation or other reorganization.

Ashland and any Permitted Transferees (as defined in Section 2.5) are each referred to herein as a " Holder " and collectively as the " Holders " and the Holders of Shares proposed to be included in any registration under this Agreement are each referred to herein as a " Selling Holder " and collectively as the " Selling Holders ."

Section 2. Demand Registration.

2.1 Notice. Upon the terms and subject to the conditions set forth herein, upon written notice of any Holder requesting that the Company effect the registration under the Securities Act of 1933, as amended (the " Securities Act "), of any or all of the Shares held by it, which notice shall specify the intended method or methods of disposition of such Shares (which methods may include, without limitation, a Shelf Registration (as such term is defined in Section 2.6)), the Company will, within five business days of receipt of such notice from any Holder,

give written notice of the proposed registration to all other Holders, if any, and will use its commercially reasonable efforts to effect (at the earliest reasonable date) the registration under the Securities Act of such Shares (and the Shares of any other Holders joining in such request as are specified in a written notice received by the Company within 15 days after receipt of the Company's written notice of the proposed registration) for disposition in accordance with the intended method or methods of disposition stated in such request (each registration request pursuant to this Section 2.1 is sometimes referred to herein as a " Demand Registration "); provided , however , that:

(a) the Company shall not be obligated to effect registration with respect to Shares pursuant to this Section 2.1 in violation of Section 3(i) of the underwriting agreement entered into in connection with the IPO or (ii) within 60 days after the effective date of a previous registration, other than a Shelf Registration, effected with respect to Shares pursuant to this Section 2 ;

(b) if at the time a Demand Registration is requested pursuant to this Section 2 , the Company determines in the good faith judgment of the general counsel of the Company, to be confirmed within 7 days by the Company's board of directors (the " Board "), that (i) such Demand Registration would require the disclosure of material information that the Company has a bona fide business purpose for preserving as confidential and the disclosure of which would have a material adverse effect on the Company or (ii) the Company is unable to comply with SEC requirements for effectiveness of such Demand Registration (a " Disadvantageous Condition "), the Company may postpone the filing or effectiveness (but not the preparation) of such registration until the earlier of (i) 7 days after the date on which the Disadvantageous Condition no longer exists, or (ii) 75 days after the Company makes such determination; provided , however , that the Company may delay a Demand Registration pursuant to this Section 2.1(b) no more than once during any 12 month period following the Separation Date; provided further that the postponement rights in this Section 2.1(b) and Section 4.3(a) and the holdback obligation in Section 4.5(c) shall not be applicable to the Holders for more than a total of 120 days during any 12 month period;

(c) the number of the Shares originally requested to be registered pursuant to any registration requested pursuant to this Section 2 shall cover Shares with an aggregate Fair Market Value as of the date of the notice delivered to the Company pursuant to this Section 2.1 of at least $75,000,000 million (for purposes of this Agreement, " Fair Market Value " shall mean, as of any date, the closing price per share of the Common Stock on the New York Stock Exchange (" NYSE ") on the trading day immediately preceding such date); and

(d) if the intended method of disposition is a Demand Registration and is an underwritten offering and the managing underwriters advise the Company in writing that in their opinion the number of Shares requested to be included in such offering exceeds the number of Shares which can be sold in an orderly manner in such offering within a price range acceptable to the Holders of a majority of the Shares initially requesting such registration or without materially adversely affecting the market for the Common Stock, the Company shall include in such registration the number of Shares requested by Holders of a majority of the Shares to be included therein which, in the opinion of such Holders based upon advice of the managing underwriters, can be sold in an orderly manner within the price range of such offering and without materially adversely affecting the market for the Common Stock, pro rata among the respective Holders thereof on the basis of the amount of Shares owned by each Holder requesting inclusion of Shares in such registration.

2.2 Registration Expenses. All Registration Expenses (as defined in Section 8) for any registration requested pursuant to this Section 2 (including any registration that is delayed or withdrawn) shall be paid by the Company.

2.3 Selection of Professionals. The Holders of a majority of the Shares included in any Demand Registration shall have the right to select the investment banker(s) and manager(s) to underwrite or otherwise administer the offering, provided that, such investment banker(s) and managers(s) are of national standing and reputation (the " Investment Bankers "). The Holders of a majority of the Shares included in any

Demand Registration shall have the right to select the financial printer and counsel for the Selling Holders. The Company shall select its own outside counsel and independent auditors.

2.4 Third Person Shares. The Company shall have the right to cause the registration of securities for sale for the account of any Person (as defined in Section 6(e)) (including the Company) other than the Selling Holders (the " Third Person Shares ") in any registration of the Shares requested pursuant to this Section 2 so long as the Third Person Shares are disposed of in accordance with the intended method or methods of disposition requested pursuant to this Section 2 .

If a Demand Registration in which the Company proposes to include Third Person Shares is an underwritten offering and the managing underwriters advise the Company in writing that in their opinion the number of Shares and Third Person Shares requested to be included in such offering exceeds the number of Shares and Third Person Shares which can be sold in an orderly manner in such offering within a price range acceptable to the Holders of a majority of the Shares initially requesting such registration or without materially adversely affecting the market for the Common Stock (the " Maximum Number "), the Company shall not include in such registration any Third Person Shares unless all of the Shares initially requested to be included therein are so included, and then only to the extent of the Maximum Number.

2.5 Permitted Transferees. As used in this Agreement, " Permitted Transferees " shall mean any transferee, whether direct or indirect, of Shares that (i) (x) as of the time of transfer of the Shares to such transferee is, and as of immediately prior to the sale of Shares pursuant to the Demand Registration or Piggyback Registration (as defined in Section 3.1 below), as the case may be, will be, a member of the Ashland Global Group (as defined in the Separation Agreement), (y) is a third-party lender participating in an equity-for-debt exchange (i.e. any transfer of Valvoline Common Stock by Ashland Global to one or more third-party lenders in repayment of indebtedness of Ashland Global or any subsidiary thereof) owed to such lenders) (or an Affiliate of such third-party lender) or (z) acquires at least 5% of the issued and outstanding shares of Valvoline Common Stock as of the time of such acquisition and executes an agreement to be bound by this Agreement, a copy of which shall be furnished to the Company and (ii) is designated by Ashland (or a subsequent Holder) in a written notice to the Company as provided for in Section 9.3 . Any Permitted Transferees of the Shares shall be subject to and bound by all of the terms and conditions herein applicable to Holders. The notice required by this Section 2.5 shall be signed by both the transferring Holder and the Permitted Transferees so designated and shall include an undertaking by the Permitted Transferees to comply with the terms and conditions of this Agreement applicable to Holders.

2.6 Shelf Registration; Distribution. With respect to any Demand Registration, the requesting Holders may, but shall not be required to, request the Company to effect a registration of the Shares (a) under a registration statement pursuant to Rule 415 under the Securities Act (or any successor rule) (a " Shelf Registration "); or (b) in the form of a Distribution or Other Disposition (as defined in the Separation Agreement). The Company shall use its commercially reasonable efforts to comply with any such request.

2.7 SEC Form; Information. The Company shall use its commercially reasonable efforts to cause Demand Registrations to be registered on Form S-3 (or any successor form), and if the Company is not then eligible under the Securities Act to use Form S-3, such Demand Registrations shall be registered on Form S-1 (or any successor form). The Company shall use its commercially reasonable efforts to become eligible to use Form S-3 and, after becoming eligible to use Form S-3, shall use its commercially reasonable efforts to remain so eligible. All such Demand Registrations shall comply with the applicable requirements of the Securities Act and the SEC's rules and regulations thereunder, and, together with each prospectus included, filed or otherwise furnished by the Company in connection therewith, shall not contain any untrue statement of material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading. The Company shall timely file all reports on Forms 10-K, 10-Q and 8-K (or any successor forms), and all material required to be filed, pursuant to the Securities Exchange Act of 1934, as amended (the " Exchange Act "), to the extent that such filing shall be a condition to the initial filing or continued use or effectiveness of any Demand Registration or to the extent required to enable any Holder to sell Shares without registration under the Securities Act within the limitation of the exemptions provided by Rule 144 under the Securities Act (or any similar rule or regulation hereafter promulgated

by the SEC). From and after the date hereof through the earlier of the expiration or termination of this Agreement or the date upon which the Ashland Global Group ceases to own any Shares, the Company shall forthwith upon written request furnish any Holder (i) a written statement by the Company as to whether it has complied with such requirements and, if not, the specifics thereof, (ii) a copy of the most recent annual or quarterly report of the Company and (iii) such other reports and documents filed by the Company with the SEC as such Holder may reasonably request in availing itself of an exemption for the sale of Shares without registration under the Securities Act.

2.8 Other Registration Rights. The Company shall not grant to any Persons the right to request the Company to register any equity securities of the Company, or any securities convertible or exchangeable into or exercisable for such securities, whether pursuant to "demand," "piggyback" or other rights, unless such rights are subject and subordinate to the rights of the Holders under this Agreement.

2.9 Withdrawal. The Holders may withdraw a Demand Registration at any time and under any circumstances.

Section 3. Piggyback Registrations.

3.1 Notice and Registration. If the Company proposes to register any of its securities for public sale under the Securities Act (whether proposed to be offered for sale by the Company or any other Person), on a form and in a manner that would permit registration of the Shares for sale to the public under the Securities Act (a " Piggyback Registration "), it will give at least 20 days' advance written notice to the Holders of its intention to do so, and upon the written request of any or all of the Holders delivered to the Company within 15 days after the giving of any such notice (which request shall specify the Shares intended to be disposed of by such Holders), the Company will use its commercially reasonable efforts to effect, in connection with the registration of such other securities, the registration under the Securities Act of all of the Shares which the Company has been so requested to register by such Holders (which shall then become Selling Holders), to the extent required to permit the disposition (in accordance with the same method of disposition as the Company proposes to use to dispose of the other securities) of the Shares to be so registered; provided , however , that:

(a) if, at any time after giving such written notice of its intention to register any of its other securities and prior to the effective date of the registration statement filed in connection with such registration, the Company shall determine for any reason not to register such other securities, the Company may, at its election, give written notice of such determination to the Selling Holders (or, if prior to delivery of the Holders' written request described above in this Section 3.1 , the Holders) and thereupon the Company shall be relieved of its obligation to register such Shares in connection with the registration of such other securities (but not from its obligation to pay Registration Expenses to the extent incurred in connection therewith as provided in Section 3.3), without prejudice, however, to the rights (if any) of any Selling Holders immediately to request (subject to the terms and conditions of Section 2) that such registration be effected as a registration under Section 2 or to include such Shares in any subsequent Piggyback Registration pursuant to this Section 3 ;

(b) the Company shall not be required to effect any registration of the Shares under this Section 3 incidental to the registration of any of its securities (i) on Form S-4 or S-8 or any successor or similar forms, (ii) relating to equity securities issuable upon exercise of employee stock or similar options or in connection with any employee benefit or similar plan of the Company or (iii) in connection with an acquisition of, or an investment in, another entity by the Company;

(c) if a Piggyback Registration is an underwritten registration on behalf of the Company (whether or not selling security holders are included therein) and the managing underwriters advise the Company in writing that in their opinion the number of securities requested to be included in such registration exceeds the number that can be sold in such offering without materially adversely affecting the marketability of the offering or the market for the Common Stock (the " Piggyback Maximum Number "), the Company shall

include the following securities in such registration up to the Piggyback Maximum Number and in accordance with the following priorities: (w) first, the securities the Company proposes to sell, (x) second, up to the number of Shares requested to be included in such registration by Ashland, (y) third, up to the number of Shares requested to be included in such registration, pro rata among the Selling Holders (other than Ashland) of such Shares on the basis of the number of Shares owned by each such Selling Holder and (z) fourth, up to the number of any other securities requested to be included in such registration;

(d) no registration of the Shares effected under this Section 3 shall relieve the Company of its obligation to effect a registration of Shares pursuant to Section 2 ; and

(e) any Selling Holder may withdraw any or all of its Shares from a Piggyback Registration at any time under any circumstances.

3.2 Selection of Professionals. If any Piggyback Registration is an underwritten offering, the Company shall select the Investment Bankers to administer any such underwritten offering. The Holders of a majority of the Shares included in any such Piggyback Registration shall have the right to select counsel for the Selling Holders. The Company shall select its own outside counsel and independent auditors.

3.3 Registration Expenses. The Company will pay all of the Registration Expenses in connection with any registration pursuant to this Section 3 .

Section 4. Registration Procedures.

4.1 Registration and Qualification. If and whenever the Company is required to use its commercially reasonable efforts to effect the registration of any of the Shares under the Securities Act as provided in Sections 2 and 3 , including an underwritten offering pursuant to a Shelf Registration, the Company shall use its commercially reasonable efforts to:

(a) as promptly as practicable (and, in any event within 30 days (in the case of a registration statement on Form S-3) or 90 days (in the case of all other registration statements)) after the date of any demand under Section 2 , prepare and file with the SEC a registration statement with respect to such Shares and cause such registration statement to become effective as soon as practicable after the initial filing thereof (provided that, before filing a registration statement or prospectus or any amendment or supplement thereto, the Company shall furnish to the Selling Holders and the underwriters or dealer managers, if any, copies of all such documents proposed to be filed (which documents shall be subject to the review and comment of such counsel) and the Company shall not file with the SEC any registration statement or prospectus or amendments or supplements thereto to which the Selling Holders or the underwriters or dealer managers, if any, shall reasonably object);

(b) except in the case of a Shelf Registration effected on Form S-3, prepare and file with the SEC such amendments and supplements to such registration statement and the prospectus used in connection therewith as may be necessary to keep such registration statement effective and to comply with the provisions of the Securities Act with respect to the disposition of all of the Shares until the earlier of (i) such time as all of such Shares have been disposed of in accordance with the intended methods of disposition set forth in such registration statement or (ii) the expiration of 120 days after such registration statement becomes effective, plus the number of days that any filing or effectiveness has been delayed under Section 2.1(b) ;

(c) in the case of a Shelf Registration effected on Form S-3, prepare and file with the SEC such amendments and supplements to such registration statement and the prospectus used in connection therewith as may be necessary to keep such registration statement effective and to comply with the provisions of the Securities Act with respect to the disposition of all Shares subject thereto for a period ending on the earlier of (i) 36 months after the effective date of such registration statement plus the number

of days that any filing or effectiveness has been delayed under Section 2.1(b) and/or suspended under Section 4.3(a) and (ii) the date on which all the Shares subject thereto have been sold pursuant to such registration statement (the " Shelf Effective Period ");

(d) furnish to the Selling Holders and to any underwriter(s) such number of conformed copies of such registration statement and of each such amendment and supplement thereto (in each case including all exhibits), such number of copies of the prospectus included in such registration statement (including each preliminary prospectus and any summary prospectus), in conformity with the requirements of the Securities Act, such documents incorporated by reference in such registration statement or prospectus and such other documents as the Selling Holders or such underwriter(s) may reasonably request;

(e) register or qualify all of the Shares covered by such registration statement under such other securities or blue sky laws of such jurisdictions as the Selling Holders or any underwriter of such Shares shall reasonably request, and do any and all other acts and things which may be necessary or advisable to enable the Selling Holders or any underwriter to consummate the disposition in such jurisdictions of the Shares covered by such registration statement, except that the Company shall not for any such purpose be required to qualify generally to do business as a foreign corporation in any jurisdiction where it is not so qualified, or to subject itself to taxation in any such jurisdiction, or to consent to general service of process in any such jurisdiction;

(f) (i) furnish to the Selling Holders, addressed to them, an opinion of counsel for the Company and (ii) furnish to the Selling Holders, addressed to them, a "cold comfort" letter signed by the independent public accountants who have certified the Company's financial statements included in such registration statement, covering substantially the same matters with respect to such registration statement (and the prospectus included therein) and, in the case of such accountants' letter, with respect to events subsequent to the date of such financial statements, as are customarily covered in opinions of issuer's counsel and in accountants' letters delivered to underwriters in underwritten public offerings of securities and such other matters as the Selling Holders may reasonably request, in each case, in form and substance and as of the dates reasonably satisfactory to the Selling Holders;

(g) enter into such customary agreements (including, if applicable, an underwriting agreement containing customary provisions for indemnification and contribution covering the underwriters and their affiliates) and take such other actions as the Selling Holders shall reasonably request in order to expedite or facilitate the disposition of such Shares (it being understood that the relevant Selling Holders may be parties to any such underwriting agreement and may, at their option, require that the Company make to and for the benefit of such Selling Holders the representations, warranties and covenants of the Company which are being made to and for the benefit of such underwriters);

(h) notify the Selling Holders and the managing underwriter(s), if any and (if requested) confirm such advice in writing and provide copies of the relevant documents, as soon as reasonably practicable after notice thereof is received by the Company (A) when the applicable registration statement or any amendment thereto has been filed or becomes effective, when the applicable prospectus or any amendment or supplement to such prospectus has been filed, (B) of any comments (written or oral) by the SEC or any request by the SEC or any other federal or state governmental authority (written or oral) for amendments or supplements to such registration statement or such prospectus or for additional information, (C) of the issuance by the SEC of any stop order suspending the effectiveness of such registration statement or any order preventing or suspending the use of any preliminary or final prospectus or the initiation or threatening of any proceedings for such purposes, (D) if, at any time, the representations and warranties of the Company in any applicable underwriting agreement or dealer manager agreement cease to be true and correct and in all material respects and (E) of the receipt by the Company of any notification with respect to the suspension of the qualification of the Shares for offering or sale in any jurisdiction or the initiation or threatening of any proceeding for such purpose;

(i) comply with all applicable rules and regulations of the SEC, and make generally available to its security holders, as soon as reasonably practicable after the effective date of the relevant registration statement (and in any event within 90 days after the end of such twelve month period described hereafter), an earnings statement (which need not be audited) covering the period of at least twelve consecutive months beginning with the first day of the Company's first calendar quarter after the effective date of such registration statement, which earnings statement shall satisfy the provisions of Section 11(a) of the Securities Act and Rule 158 thereunder;

(j) immediately notify the Selling Holders and the managing underwriter(s), if any, at any time when a prospectus relating to a registration pursuant to Section 2 or 3 is required to be delivered under the Securities Act, of the happening of any event as a result of which the prospectus included in such registration statement, as then in effect, includes an untrue statement of a material fact or omits to state any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, and at the request of the Selling Holders or the underwriter(s) prepare and file with the SEC (and furnish to the Selling Holders and the underwriter(s) or dealer manager(s) a reasonable number of copies of) a supplement to or an amendment of such prospectus as may be necessary so that, as thereafter delivered to the purchasers of such Shares, such prospectus shall not include an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they are made, not misleading;

(k) permit any Selling Holder(s) comprising holders of a majority of the Shares to be included in such registration, in their sole and exclusive judgment, to participate in the preparation of such registration or comparable statement (including but not limited to having prompt access to any SEC comment letters or other communications in connection with such registration and the Company's responses thereto) and to require the insertion therein of material, furnished to the Company in writing, which in the reasonable judgment of such Selling Holder(s) and their counsel should be included;

(l) provide and cause to be maintained a transfer agent and registrar for all such Registrable Securities covered by such registration statement not later than the effective date of such registration statement;

(m) provide a CUSIP number for all such Shares, not later than the effective date of the relevant registration statement;

(n) make reasonably available its employees and personnel for participation in "road shows" and other marketing efforts and otherwise provide reasonable assistance to the underwriters (taking into account the needs of the Company's businesses and the requirements of the marketing process) in the marketing of such Shares in any underwritten offering;

(o) cooperate with the relevant Selling Holders and the managing underwriter, if any, to facilitate the timely preparation and delivery of certificates not bearing any restrictive legends representing the Shares to be sold, and cause such Shares to be issued in such denominations and registered in such names in accordance with the underwriting agreement prior to any sale of Shares to the underwriters or, if not an underwritten offering, in accordance with the instructions of the relevant Selling Holders at least three business days prior to any sale of Shares and instruct any transfer agent and registrar of Shares to release any stop transfer orders in respect thereof;

(p) take all such other commercially reasonable actions as are necessary or advisable in order to expedite or facilitate the disposition of such Shares;

(q) take no direct or indirect action prohibited by Regulation M under the Exchange Act; *provided* , *however* , that to the extent that any prohibition is applicable to the Company, the Company will take such action as is necessary to make any such prohibition inapplicable;

(r) in the event of the issuance of any stop order suspending the effectiveness of a registration statement, or of any order suspending or preventing the use of any related prospectus or suspending the qualification of any securities included in such registration statement for sale in any jurisdiction, the Company shall use its reasonable best efforts promptly to obtain the withdrawal of such order;

(s) in the case of a Demand Registration relating to an underwritten offering, cause the senior executive officers of the Company, as selected by mutual agreement of the Company and the Selling Holders to facilitate, cooperate with, and participate in each proposed offering contemplated herein and customary selling efforts related thereto, including participation of such officers in road show presentations, except to the extent that such participation materially interferes with the management of the Company's business; provided that the effectiveness period for any Demand Registration shall be increased on a day-for-day basis by the period of time that management cannot participate; and

(t) cause the Shares covered by such registration statement to be registered with or approved by such other government agencies or authorities as may be necessary to enable the sellers thereof to consummate the disposition of such Shares.

The Company may require the Selling Holders to furnish the Company with such information regarding the Selling Holders and the distribution of such Shares as the Company may from time to time reasonably request in writing and as shall be required by law, the SEC or any securities exchange on which any shares of Common Stock are then listed for trading in connection with any registration.

Each Selling Holder will as promptly as reasonably practicable notify the Company at any time when a prospectus relating thereto is required to be delivered (or deemed delivered) under the Securities Act, of the occurrence of an event, of which such Selling Holder has knowledge, relating to such Selling Holder or its disposition of Shares thereunder requiring the preparation of a supplement or amendment to such prospectus so that, as thereafter delivered (or deemed delivered) to the purchasers of such Shares, such prospectus will not contain an untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they are made, not misleading.

Ashland agrees, and any other Selling Holder agrees by acquisition of such Shares, that, upon receipt of any written notice from the Company of the occurrence of any event of the kind described in Section 4.1(j) , such Selling Holder will forthwith discontinue disposition of Shares pursuant to such registration statement until such Selling Holder's receipt of the copies of the supplemented or amended prospectus contemplated by Section 4.1(j) , or until such Selling Holder is advised in writing by the Company that the use of the prospectus may be resumed, and if so directed by the Company, such Selling Holder will deliver to the Company (at the Company's expense) all copies, of the prospectus covering such Shares current at the time of receipt of such notice. In the event the Company shall give any such notice, the period during which the applicable registration statement is required to be maintained effective shall be extended by the number of days during the period from and including the date of the giving of such notice to and including the date when each seller of Shares covered by such registration statement either receives the copies of the supplemented or amended prospectus contemplated by Section 4.1(j) or is advised in writing by the Company that the use of the prospectus may be resumed.

No Selling Holder may participate in any underwritten offering or registered exchange offer hereunder unless such Selling Holder (i) agrees to sell such Selling Holder's securities on the basis provided in any underwriting arrangements or dealer manager agreements approved by the Company or other Persons entitled to approve such arrangements and (ii) completes and executes all questionnaires, powers of attorney, indemnities, underwriting agreements, dealer manager agreements, and other documents reasonably required under the terms of such underwriting arrangements or this Agreement.

4.2 Underwriting. If requested by the underwriters for any underwritten offering in connection with a registration requested hereunder (including any registration under Section 3 which involves, in whole or in part, an underwritten offering), the Company will enter into an underwriting agreement with such underwriters for such offering, such agreement to contain such representations and warranties by the Company and such other terms and provisions as are customarily contained in underwriting agreements with respect to that offering, including, without limitation, indemnities, contribution and the provision of opinions of counsel and accountants' letters to the effect and to the extent provided in Section 4.1(f) . The Company may require that the Shares requested to be registered pursuant to Section 3 be included in such underwriting on the same terms and conditions as shall be applicable to the other securities being sold through underwriters under such registration; provided , however , that no Selling Holder shall be required to make any representations or warranties to the Company or the underwriters (other than representations and warranties regarding such Holder and such Holder's intended method of distribution) or to undertake any indemnification obligations to the Company or the underwriters with respect thereto, except as otherwise provided in Section 6 hereof. The Selling Holders shall be parties to any such underwriting agreement, and the representations and warranties by, and the other agreements on the part of, the Company to and for the benefit of such underwriters shall also be made to and for the benefit of such Selling Holders.

4.3 Blackout Periods for Shelf Registrations.

(a) At any time when a Shelf Registration effected pursuant to Section 2 relating to the Shares is effective, upon written notice from the Company to the Selling Holders that the Company has determined in the good faith judgment of the general counsel of the Company, to be confirmed within 7 days by the Board, that (i) the Selling Holders' sale of the Shares pursuant to the Shelf Registration would require the disclosure of material information that the Company has a bona fide business purpose for preserving as confidential and the disclosure of which would have a material adverse effect on the Company or (ii) the Company is unable to comply with SEC requirements for continued use or effectiveness of the Shelf Registration (in the case of either clause (i) or (ii), for convenience, referred to as an " Information Blackout "), the Selling Holders shall suspend sales of the Shares pursuant to such Shelf Registration until the earlier of (A) the date upon which such material information is disclosed to the public or ceases to be material (or the Company otherwise complies with applicable SEC requirements), (B) 75 days after the general counsel of the Company made such good faith determination (as subsequently confirmed by the Board) unless resuming use of the Shelf Registration is then prohibited by applicable SEC rules or published interpretations, or (C) such time as the Company notifies the Selling Holders that sales pursuant to such Shelf Registration may be resumed (the number of days from such suspension of sales of the Selling Holders until the day when such sales may be resumed hereunder is hereinafter called a " Sales Blackout Period "). The postponement rights in this Section 4.3(a) and Section 2.1(b) and the holdback obligation in Section 4.5(c) shall not be applicable to the Holders for more than a total of 120 days during any 12 month period

(b) If there is an Information Blackout and the Selling Holders do not notify the Company in writing of their desire to cancel such Shelf Registration, the period set forth in Section 4.1(c)(i) shall be extended for a number of days equal to the number of days in the Sales Blackout Period. The fact that a Sales Blackout Period is required under this Section 4.3 or SEC rules shall not relieve the contractual duty of the Company as set forth in Section 2.7 to file timely reports and otherwise file material required to be filed under the Exchange Act.

4.4 Listing and Other Requirements. In connection with the registration of any offering of the Shares pursuant to this Agreement, the Company agrees to use its commercially reasonable efforts to effect the listing of such Shares on any securities exchange on which any shares of the Common Stock are then listed and otherwise facilitate the public trading of such Shares. The Company will take all other lawful actions reasonably necessary and customary under the circumstances to expedite and facilitate the disposition by the Selling Holders of Shares registered pursuant to this Agreement as described in the prospectus relating thereto, including without limitation timely preparation and delivery of stock certificates in appropriate denominations and furnishing any required instructions or legal opinions to the Company's transfer agent in connection with Shares sold or otherwise distributed pursuant to an effective registration statement.

4.5 Holdback Agreements.

(a) The Company shall not effect any public sale or distribution of its equity securities, or any securities convertible into or exchangeable or exercisable for such securities, during the seven days prior to, and during the 90-day period beginning on, the effective date of any registration statement in connection with a Demand Registration (other than a Shelf Registration) or a Piggyback Registration, except pursuant to registrations on Form S-8 or S-4 or any successor form or unless the underwriters managing any such public offering otherwise agree.

(b) If the Holders of Shares notify the Company in writing that they intend to effect an underwritten sale of Shares registered pursuant to a Shelf Registration pursuant to Section 2 hereof, the Company shall not effect any public sale or distribution of its equity securities, or any securities convertible into or exchangeable or exercisable for its equity securities, during the seven days prior to, and during the 90-day period beginning on, the date specified in such notice for such proposed sale, except pursuant to registrations on Form S-8 or S-4 or any successor form or unless the underwriters managing any such public offering otherwise agree.

(c) If the Company completes an underwritten registration with respect to any of its securities (whether offered for sale by the Company or any other Person) on a form and in a manner that would have permitted registration of the Shares, if no Holder requested the inclusion of any Shares in such registration, and if the Company gives each Holder at least 20 days prior written notice of the approximate date on which such offering is expected to be commenced, the Holders shall not effect any public sales or distributions of equity securities of the Company, or any securities convertible into or exchangeable or exercisable for such securities, until the termination of the holdback period required from the Company by any underwriters in connection with such previous registration, provided that the holdback period applicable to the Holders shall (i) in no event be longer than a period of seven days prior to, and during the 90-day period beginning on the effective date of such registration statement, (ii) not apply to any Distribution under the Separation Agreement, (iii) not apply to any Holder owning less than 10% of the Company's outstanding voting securities, (iv) not apply unless all directors and officers of the Company and holders of 10% or more of the Company's outstanding voting securities are bound by the same holdback restrictions as are intended to apply to the Holders and (v) not apply unless the directors and executive officers of the Company are subject to substantially comparable restrictions as those proposed to be imposed on the Holders; provided that for the purposes of clause (iii), all Ashland Global Group members shall be treated as a single Selling Holder. The holdback obligation in this Section 4.5(c) and the postponement rights in Section 2.1(b) and Section 4.3(a) shall not be applicable to the Holders for more than a total of 120 days during any 12 month period.

Section 5. Preparation; Reasonable Investigation. In connection with the preparation and filing of each registration statement registering the Shares under the Securities Act and each sale of the Shares thereunder, the Company will give each Selling Holder and the underwriters, if any, and their respective counsel and accountants representing such Selling Holders and underwriters, access to its financial and other records, pertinent corporate documents and properties of the Company and such opportunities to discuss the business of the Company with its officers and the independent public accountants who have certified its financial statements as shall be necessary, in the opinion of the Selling Holders and such underwriters or such counsel, to conduct a reasonable investigation within the meaning of the Securities Act; provided that for purposes of this Section 5 , all Ashland Global Group members shall be treated as a single Selling Holder.

Section 6. Indemnification and Contribution.

(a) In the event of any registration of any of the Shares hereunder, the Company will enter into customary indemnification arrangements to indemnify and hold harmless each of the Selling Holders, each of their respective directors and officers, each Person who participates as an underwriter in the offering or sale of such securities, each officer and director of each underwriter, and each Person, if any, who controls each such Selling Holder or any such underwriter within the meaning of the Securities Act (collectively, the " Covered Persons ") against any losses, claims, damages, liabilities and expenses, joint or several, to which such Person may be subject under the Securities Act or otherwise insofar as such losses, claims, damages, liabilities or expenses (or actions or proceedings in respect thereof) arise out of or are based upon (i) any untrue statement or alleged untrue statement of

any material fact contained in any related registration statement filed under the Securities Act, any preliminary prospectus or final prospectus included therein, or any amendment or supplement thereto, or any document incorporated by reference therein, or (ii) any omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, and the Company will reimburse each such Covered Person, as incurred, for any legal or any other expenses reasonably incurred by such Covered Person in connection with investigating or defending any such loss, claim, liability, action or proceeding; provided , however , that the Company shall not be liable in any such case to the extent that any such loss, claim, damage, liability (or action or proceeding in respect thereof) or expense arises out of or is based upon an untrue statement or alleged untrue statement or omission or alleged omission made in such registration statement, any such preliminary prospectus or final prospectus, amendment or supplement in reliance upon and in conformity with written information furnished to the Company after the Separation Date by such Selling Holder or such underwriter specifically for use in the preparation thereof. Such indemnity shall remain in full force and effect regardless of any investigation made by or on behalf of any such Covered Person and shall survive the transfer of such securities by the Selling Holders. In order to provide for just and equitable contribution to joint liability under the Securities Act in any case in which either (a) any Holder exercising rights under this Agreement, or any controlling person of any such Holder, makes a claim for indemnification pursuant to this Section 6 , but it is judicially determined (by the entry of a final judgment or decree by a court of competent jurisdiction and the expiration of time to appeal or the denial of the last right of appeal) that such indemnification may not be enforced in such case notwithstanding the fact that this Section 6 provides for indemnification in such case, or (b) contribution under the Securities Act may be required on the part of any such Selling Holder or any such controlling person in circumstances for which indemnification is provided under this Section 6 ; then, and in each such case, the Company and such Holder will contribute to the aggregate losses, claims, damages or liabilities to which they may be subject (after contribution from others) in such proportion so that such Holder is responsible for the portion represented by the percentage that the public offering price of its Shares offered by and sold under the registration statement bears to the public offering price of all securities offered by and sold under such registration statement, and the Company and other Selling Holders are responsible for the remaining portion; provided , however , that, in any such case: (i) no such Holder will be required to contribute any amount in excess of the net amount of proceeds of all such Shares offered and sold by such Holder pursuant to such registration statement and (ii) no person or entity guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) will be entitled to contribution from any person or entity who was not guilty of such fraudulent misrepresentation.

(b) Each of the Selling Holders, by virtue of exercising its respective registration rights hereunder, agrees and undertakes to enter into customary indemnification arrangements to indemnify and hold harmless (in the same manner and to the same extent as set forth in clause (a) of this Section 6) the Company, its directors and officers, each Person who participates as an underwriter in the offering or sale of such securities, each officer and director of each underwriter, and each Person, if any, who controls the Company or any such underwriter within the meaning of the Securities Act, with respect to any statement in or omission from such registration statement, any preliminary prospectus or final prospectus included therein, or any amendment or supplement thereto, if such statement or omission is contained in written information furnished by such Selling Holder to the Company specifically for inclusion in such registration statement or prospectus; provided , however , that the obligation for each Selling Holder to indemnify shall be several and not joint, and shall be limited to the net amount of proceeds received by such Selling Holder from the sale of Shares pursuant to such registration statement. Such indemnity shall remain in full force and effect regardless of any investigation made by or on behalf of the Company or any such director, officer or Person and shall survive the transfer of the registered securities by the Selling Holders.

(c) Any Person entitled to indemnification hereunder shall (i) give prompt written notice to the indemnifying party of any claim with respect to which it seeks indemnification (provided , however , that the failure to give prompt notice shall not impair any Person's rights to indemnification hereunder to the extent such failure has not prejudiced the indemnifying party) and (ii) unless in such indemnified party's reasonable judgment a conflict of interest between such indemnified and indemnifying parties may exist with respect to such claim, permit such indemnifying party to assume the defense of such claim with counsel reasonably satisfactory to the indemnified party. If such defense is assumed, the indemnifying party shall not be subject to any liability for any settlement

made by the indemnified party without the indemnifying party's consent (but such consent shall not be unreasonably withheld). An indemnifying party who is not entitled to (as a result of a conflict of interest, as determined in the indemnified party's reasonable judgment), or who elects not to, assume the defense of a claim shall not be obligated to pay the fees and expenses of more than one counsel for all parties indemnified by such indemnifying party with respect to such claim, unless in the reasonable judgment of any indemnified party a conflict of interest may exist between such indemnified party and any other of such indemnified parties with respect to such claim.

(d) " Person " means an individual, a partnership, a corporation, a limited liability company, an association, a joint stock company, a trust, a joint venture, an unincorporated organization and a governmental entity, or any department, agency or political subdivision thereof.

(e) The rights and obligations of the Company and the Selling Holders under this Section 6 shall survive the termination of this Agreement.

Section 7. Benefits and Termination of Registration Rights. (a) The Holders may exercise the registration rights granted hereunder in such manner and proportions as they shall agree among themselves. The registration rights hereunder shall cease to apply to any particular Shares and such securities shall cease to be Shares when: (i) a registration statement with respect to the sale of such Shares shall have become effective under the Securities Act and such Shares shall have been disposed of in accordance with such registration statement; (ii) such Shares shall have been sold to the public pursuant to Rule 144 under the Securities Act (or any successor provision); (iii) such Shares shall have been otherwise transferred, new certificates for them not bearing a legend restricting further transfer shall have been delivered by the Company and subsequent public distribution of them shall not require registration or qualification of them under the Securities Act or any similar state law then in force or (iv) such Shares shall have ceased to be outstanding.

(a) If any Shares are held in non-certificated book-entry form and are subject to any stop transfer or similar instructions or restrictions, the Company shall, at the request of the applicable Holder, promptly cause such stop transfer or similar instructions or restrictions to be promptly terminated and removed if (i) such Shares are registered for resale under the Securities Act or (b) the applicable Holder provides the Company with reasonable assurance that such Shares can be sold, assigned or transferred pursuant to Rule 144 or otherwise without registration under the applicable requirements of the Securities Act, including, if requested by the Company, an opinion of outside legal counsel, reasonably acceptable to the Company, to such effect. Following the effective date of any Registration Statement pursuant to which Shares are registered for resale, the Company shall cause any stop transfer or similar instructions or restrictions relating to such Shares to be terminated and removed.

Section 8. Registration Expenses. As used in this Agreement, the term " Registration Expenses " means all expenses incident to the Company's performance of or compliance with the registration requirements set forth in this Agreement including, without limitation, the following:

(a) the fees, disbursements and expenses of the Company's counsel and accountants in connection with the registration of the Shares to be disposed of under the Securities Act;

(b) all expenses in connection with the preparation, printing and filing of the registration statement, any preliminary prospectus or final prospectus, any other offering document and amendments and supplements thereto and the mailing and delivering of copies thereof to the underwriters;

(c) the cost of printing and producing any agreements among underwriters, underwriting agreements, and blue sky or legal investment memoranda, any selling agreements and any amendments thereto or other documents in connection with the offering, sale or delivery of the Shares to be disposed of;

(d) all expenses in connection with the qualification of the Shares to be disposed of for offering and sale under state securities laws, including the fees and disbursements of counsel for the underwriters in connection with such qualification and in connection with any blue sky and legal investment surveys;

(e) the filing fees incident to securing any required review by the NYSE and any other securities exchange on which the Common Stock is then traded or listed of the terms of the sale of the Shares to be disposed of and the trading or listing of all such Shares on each such exchange;

(f) the costs of preparing stock certificates;

(g) the costs and charges of the Company's transfer agent and registrar; and

(h) the fees and disbursements of any custodians or agents.

Registration Expenses shall not include (i) underwriting discounts and underwriters' commissions attributable to the Shares being registered for sale on behalf of the Selling Holders, which shall be paid by the Selling Holders and (ii) the fees, disbursements and expenses of the Selling Holders' counsel and accountants in connection with the registration of the Shares to be disposed of under the Securities Act.

Section 9. Miscellaneous.

9.1 Adjustments Affecting Registrable Securities . The Company agrees that it shall not effect or permit to occur any combination or subdivision of Common Stock which would adversely affect the ability of any Holder of any Shares to include such Shares in any registration contemplated by this Agreement or the marketability of such Shares in any such registration. The Company agrees that it will take all reasonable steps necessary to effect a subdivision of shares if in the reasonable judgment of (a) the majority of Holders or (b) the managing underwriter for the relevant offering, such subdivision would enhance the marketability of the Shares. Each Holder agrees to vote all of its shares in a manner, and to take all other actions necessary, to permit the Company to carry out the intent of the preceding sentence including, without limitation, voting in favor of an increase in the share capital.

9.2 Rule 144 . The Company covenants that (i) upon such time as it becomes, and so long as it remains, subject to the reporting provisions of the Exchange Act, it will timely file the reports required to be filed by it under the Securities Act or the Exchange Act (including, but not limited to, the reports under Sections 13 and 15(d) of the Exchange Act referred to in subparagraph (c)(1) of Rule 144 under the Securities Act) and (ii) it will take such further action as any Holder may reasonably request, all to the extent required from time to time to enable such Holder to sell Registrable Securities without registration under the Securities Act within the limitation of the exemptions provided by (A) Rule 144 under the Securities Act, as such Rule may be amended from time to time, or (B) any similar rule or regulation hereafter adopted by the SEC. Upon the request of any Holder, the Company will deliver to such Holder a written statement as to whether it has complied with such requirements.

9.3 Ownership Reporting . The Company agrees that it will provide assistance to the Holders (or the ultimate beneficial owners of the Common Shares held by such Holders) in connection with the filing of beneficial ownership reports on Schedule 13D or Schedule 13G (or any successor form) or any amendment thereto pursuant to Rule 13d-1 under the Exchange Act, including the payment of any reasonable fees or expenses incurred in connection therewith.

9.4 Nominees for Beneficial Owners . If Shares are held by a nominee for the beneficial owner thereof, the beneficial owner thereof may, at its option, be treated as the Holder of such Shares for purposes of any request or other action by any Holder pursuant to this Agreement (or any determination of any number or percentage of shares constituting Shares held by any Holder contemplated by this Agreement), provided that the Company shall have received assurances reasonably satisfactory to it of such beneficial ownership.

9.5 Entire Agreement. This Agreement, the Separation Agreement, all the other Ancillary Agreements (as defined in the Separation Agreement) and all other Exhibits and Schedules attached hereto and thereto constitute the entire agreement between the parties with respect to the subject matter hereof and thereof and supersede all prior written and oral and all contemporaneous oral agreements and understandings with respect to the subject matter hereof and thereof.

9.6 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of New York regardless of the laws that might otherwise govern under applicable principles of conflicts of laws thereof.

9.7 Notices. All notices and other communications hereunder shall be in writing and shall be deemed to have been duly given when delivered in person, by telecopy with answer back, by express or overnight mail delivered by a nationally recognized air courier (delivery charges prepaid), or by registered or certified mail (postage prepaid, return receipt requested) to the respective parties as follows:

If to Ashland:

Ashland Global Holdings Inc.
50 E. RiverCenter Blvd.
Covington, KY 41011
Attn: Peter J. Ganz, Esq.
e-mail: PGanz@ashland.com

with a copy to:

Cravath, Swaine & Moore LLP
Worldwide Plaza
825 Eighth Avenue
New York, NY 10019
Attn: Thomas E. Dunn
e-mail: TDunn@cravath.com
Facsimile: (212) 474-3700

If to the Company:

Valvoline Inc.
3499 Blazer Parkway
Lexington, KY 40509
Attn: Julie M. O'Daniel, Esq.
e-mail: JMODaniel@valvoline.com

or to such other address as the party to whom notice is given may have previously furnished to the others in writing in the manner set forth above. Any notice or communication delivered in person shall be deemed effective on delivery. Any notice or communication sent by telecopy shall be deemed effective on the day at the place such notice or communication is received if confirmed by return facsimile. Any notice or communication sent by air courier shall be deemed effective on the day at the place at which such notice or communication is received if delivery is confirmed by the air courier. Any notice or communication sent by registered or certified mail shall be deemed effective on the fifth business day at the place from which such notice or communication was mailed following the day on which such notice or communication was mailed.

9.8 Parties in Interest. This Agreement shall be binding upon and inure solely to the benefit of each party hereto and its legal representatives and successors, and each affiliate of such party hereto, and nothing in this Agreement, express or implied, is intended to confer upon any other Person, other than any Permitted Transferee, any rights or remedies of any nature whatsoever under or by reason of this Agreement.

9.9 Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed to be an original, but all of which shall constitute one and the same agreement.

9.10 Assignment. This Agreement may not be assigned by any party hereto other than by Ashland to a Permitted Transferee as provided for in Section 2.5 ; provided further that Ashland may assign this Agreement in connection with a merger transaction in which Ashland is not the surviving entity, or the sale of all or substantially all of its assets.

9.11 Jurisdiction. If any dispute, controversy or claim arises out of or in connection with this Agreement, the parties irrevocably (a) consent and submit to the exclusive jurisdiction of the Commercial Division of the Supreme Court of the State of New York, New York County and the United States District Court for the Southern District of New York, (b) waive any objection to that choice of forum based on venue or to the effect that the forum is not convenient and (c) WAIVE TO THE FULLEST EXTENT PERMITTED BY LAW ANY RIGHT TO TRIAL OR ADJUDICATION BY JURY. Any party hereto may make service on another party by sending or delivering a copy of the process to the party to be served at the address and in the manner provided for the giving of notices in Section 9.3 . Nothing in this Section 9.7 , however, shall affect the right to serve legal process in any other manner permitted by law.

9.12 Severability. If any term or other provision of this Agreement is invalid, illegal or incapable of being enforced by any rule of law or public policy, all other conditions and provisions of this Agreement shall nevertheless remain in full force and effect so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner materially adverse to any party. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the parties hereto shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible in an acceptable manner to the end that transactions contemplated hereby are fulfilled to the fullest extent possible.

9.13 Failure or Indulgence Not Waiver; Remedies Cumulative. No failure or delay on the part of any party hereto in the exercise of any right hereunder shall impair such right or be construed to be a waiver of, or acquiescence in, any breach of any representation, warranty or agreement herein, nor shall any single or partial exercise of any such right preclude other or further exercise thereof or of any other right. All rights and remedies existing under this Agreement are cumulative to, and not exclusive of, any rights or remedies otherwise available.

9.14 Amendment. No change, amendment or waiver will be made to this Agreement, except by an instrument in writing signed on behalf of each of the parties hereto.

9.15 Authority. Each of the parties hereto represents to the other that:

(a) it has the corporate or other requisite power and authority to execute, deliver and perform this Agreement;

(b) the execution, delivery and performance of this Agreement by it have been duly authorized by all necessary corporate or other action;

(c) it has duly and validly executed and delivered this Agreement; and

(d) this Agreement is a legal, valid and binding obligation, enforce-able against it in accordance with its terms subject to applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting creditors' rights generally and general equity principles.

9.16 Interpretation. The headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement. When a reference is made in this Agreement to an Article or a Section, such reference shall be to an Article or Section of this Agreement unless otherwise indicated. All references made herein to the Company as a party which operate as of a time following the Effective Time shall be deemed to refer to the Company and its subsidiaries as a single party.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed and delivered as of the date and year first written above.

ASHLAND GLOBAL HOLDINGS INC.,
By

/s/ Peter J. Ganz

Name: Peter J. Ganz
Title: Senior Vice President, General Counsel, and Secretary

VALVOLINE INC.,
by

/s/ Julie O'Daniel

Name: Julie O'Daniel
Title: General Counsel and Corporate Secretary

EXHIBIT 21

List of Subsidiaries of the Registrant

Subsidiaries of Valvoline Inc. at September 30, 2016, included the companies listed below.

Name	Jurisdiction of Incorporation
ACM Eurasia LLC	Russian Federation
Delta Technologies LLC	Delaware
Ellis Enterprises B.V.	Netherlands
Funding Corp. I	Delaware
Lex Capital LLC	Delaware
Lubricantes Andinos "Lubrian S. A."	Ecuador
Lubrival S. A.	Ecuador
OCH International, Inc.	Oregon
OCHI Advertising Fund LLC	Oregon
OCHI Holdings II LLC	Oregon
OCHI Holdings LLC	Oregon
PT. Valvoline Lubricants and Chemicals Indonesia	Indonesia
Relocation Properties Management LLC	Delaware
Shanghai VC Lubricating Oil Co., Ltd.	China
V C Lubricating Oil Co. Ltd.	Hong Kong
Valvoline (Australia) Pty. Limited	Australia
Valvoline (Deutschland) GmbH	Germany
Valvoline (Shanghai) Chemical Co., Ltd	China
Valvoline (Thailand) Ltd.	Thailand
Valvoline Branded Finance, Inc.	Delaware
Valvoline Canada Corp.	Nova Scotia
Valvoline Canada Holdings B.V.	Netherlands
Valvoline Cummins Argentina S.A.	Argentina
Valvoline Cummins Private Limited	India
Valvoline de Colombia S.A.S.	Colombia
Valvoline Distribution C.V.	Netherlands
Valvoline Do Brasil Lubrificantes Ltda.	Brazil
Valvoline Europe Holdings LLC	Delaware
Valvoline Holdings B.V.	Netherlands
Valvoline Holdings Pte. Ltd.	Singapore
Valvoline Indonesia Holdings LLC	Delaware
Valvoline Instant Oil Change Franchising, Inc.	Delaware
Valvoline International de Mexico, S. de R.L. de C.V.	Mexico
Valvoline International Holdings Inc.	Delaware
Valvoline International Servicios de Mexico, S. de R.L. de C.V.	Mexico
Valvoline International, Inc.	Delaware
Valvoline Investments B.V.	Netherlands
Valvoline Junior Holdings LLC	Delaware
Valvoline Licensing and Intellectual Property LLC	Delaware

Valvoline LLC	Delaware
Valvoline Lubricants & Solutions India Private Limited	India
Valvoline New Zealand Limited	New Zealand
Valvoline Poland Sp. z o.o.	Poland
Valvoline Pte. Ltd.	Singapore
Valvoline South Africa Proprietary Limited	South Africa
Valvoline Spain, S.L.	Spain
Valvoline UK Limited	United Kingdom
Valvoline US LLC	Delaware
VIOC Funding, Inc.	Delaware

EXHIBIT 23.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUTING FIRM

We consent to the incorporation by reference in the Registration Statement on Form S-8 (No. 333-213898) pertaining to the 2016 Valvoline Incentive Plan and 2016 Deferred Compensation Plan for Non-Employee Directors, of our report dated December 19, 2016 with respect to the consolidated financial statements of Valvoline Inc. included in this Annual Report (Form 10-K) of Valvoline Inc. for the year ended September 30, 2016.

/s/ Ernst & Young LLP

Cincinnati, Ohio
December 19, 2016

EXHIBIT 23.2

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the incorporation by reference in the Registration Statement on Form S-8 (No. 333-213898) pertaining to the 2016 Valvoline Incentive Plan and the 2016 Deferred Compensation Plan for Non-Employee Directors of our report relating to the consolidated financial statements for the year ended September 30, 2014 dated May 31, 2016, except for the effects of the reorganization of entities under common control discussed in Note 1 to the consolidated financial statements, as to which the date is December 19, 2016, which appears in this Form 10-K.

/s/ PricewaterhouseCoopers LLP

Cincinnati, OH
December 19, 2016

EXHIBIT 24

Annual Report - Form 10-K

RESOLVED, that the Annual Report of Valvoline Inc. (the " Company ") to the Securities and Exchange Commission (the " SEC ") on Form 10-K (the " Form 10-K ") substantially in the form previously circulated to the Board in preparation for this meeting be, and it hereby is, approved with such changes as the Chief Executive Officer, Chief Financial Officer, any Vice President, the Corporate Secretary or the Company's counsel (" Authorized Persons ") shall approve, the execution and filing of the Form 10-K with the SEC to be conclusive evidence of such approval; and

FURTHER RESOLVED, that the Authorized Persons be, and each of them hereby is, authorized to file with the SEC the Form 10-K and any amendments thereto on Form 10-K/A and/or any other applicable form.

POWER -OF -ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that each of the undersigned Directors and Officers of VALVOLINE INC., a Kentucky corporation, which is about to file an Annual Report on Form 10-K with the Securities and Exchange Commission under the provisions of the Securities Exchange Act of 1934, as amended, hereby constitutes and appoints SAMUEL J. MITCHELL, JR., JULIE M. O'DANIEL, ISSA O. YESUFU and ANTHONY J. CIERI, and each of them, his or her true and lawful attorneys-in-fact and agents, with full power to act without the others to sign and file such Annual Report and the exhibits thereto and any and all other documents in connection therewith, and any such amendments thereto, with the Securities and Exchange Commission, and to do and perform any and all acts and things requisite and necessary to be done in connection with the foregoing as fully as he or she might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, or any of them, may lawfully do or cause to be done by virtue hereof.

Dated: December 19, 2016

/s/ Samuel J. Mitchell, Jr.
Samuel J. Mitchell, Jr.
Chief Executive Officer and Director
(Principal Executive Officer)

/s/ Richard J. Freeland
Richard J. Freeland
Director

/s/ Mary E. Meixelsperger
Mary E. Meixelsperger
Chief Financial Officer
(Principal Financial Officer)

/s/ Stephen F. Kirk
Stephen F. Kirk
Director

/s/ David J. Scheve
David J. Scheve
Controller
(Principal Accounting Officer)

/s/ Vada O. Manager
Vada O. Manager
Director

/s/ William A. Wulfsohn
William A. Wulfsohn
Non-Executive Chairman and Director

/s/ Stephen E. Macadam
Stephen E. Macadam
Director

/s/ Mary J. Twinem
Mary J. Twinem
Director

/s/ Charles M. Sonsteby
Charles M. Sonsteby
Director

EXHIBIT 31.1

CERTIFICATIONS

I, Samuel J. Mitchell, Jr., certify that:

1. I have reviewed this annual report on Form 10-K of Valvoline Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:

   a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   c. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the Audit Committee of the registrant's Board of Directors (or persons performing the equivalent functions):

   a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: December 19, 2016

/s/ Samuel J. Mitchell, Jr.

Samuel J. Mitchell Jr.
Chief Executive Officer and Director
(Principal Executive Officer)

EXHIBIT 31.2

CERTIFICATIONS

I, Mary E. Meixelsperger, certify that:

1. I have reviewed this annual report on Form 10-K of Valvoline Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:

   a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   c. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the Audit Committee of the registrant's Board of Directors (or persons performing the equivalent functions):

   a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: December 19, 2016

/s/ Mary E. Meixelsperger

Mary E. Meixelsperger
Chief Financial Officer
(Principal Financial Officer)

EXHIBIT 32

VALVOLINE INC.

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of Valvoline Inc. (the "Company") on Form 10-K for the period ended September 30, 2016 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), each of the undersigned, Samuel J. Mitchell, Jr., Chief Executive Officer of the Company, and Mary E. Meixelsperger, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Samuel J. Mitchell, Jr.

Samuel J. Mitchell, Jr.
Chief Executive Officer and Director
December 19, 2016

/s/ Mary E. Meixelsperger

Mary E. Meixelsperger
Chief Financial Officer
December 19, 2016