

## **PHILLIPS 66 DEPENDENT SCHOLARSHIP PROGRAM**

### **For Children of Phillips 66 Employees**

The Phillips 66 Dependent Scholarship Program ("Program") was created for the purpose of establishing a fund from which college or university scholarships may be made to dependent children of employees of Phillips 66 and certain of its subsidiary companies who might not, without such assistance, be able to meet the expenses of college education.

The Program is administered by Scholarship Management Services (a division of Scholarship America, Inc.), a third-party administrator of educational assistance programs that is independent of and not related to the Phillips 66 organization (the "Program Administrator").

The Program awards up to 66 four-year scholarships for higher education at an accredited institution of higher learning. With annual awards of \$4,000 per student, the total monetary value of the scholarship is \$16,000. No more than 25 percent of eligible applications submitted for a scholarship, up to a maximum of 66 scholarships per year, are awarded.

The criteria used to select scholarship winners are academic excellence, financial need and community service. Scholarship winners are expected to maintain scholastic standards and comply with the Rules and Regulations of the Program described below.

## **RULES AND REGULATIONS**

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### **1. ELIGIBILITY CRITERIA**

Applicants must meet all of the following criteria to be eligible for consideration:

- (a) Be dependent children of full-time non-store employees on the Phillips 66 U.S. payroll, including U.S. expatriates or identified U.S. subsidiaries, as well as children of retired, disabled or deceased U.S. Phillips 66 employees as of May 1 of the year in which the awards are made,
- (b) Be dependent children of non-store employees who, in the calendar year in which their employment ended, were age 50 or older,

and in the case of either of the criteria listed in (a) and (b) above,

- (1) Be high school seniors, and
- (2) Plan to enroll in full-time undergraduate study at an accredited two-year or four-year college or university for the entire academic year during which the college or university holds classes in consecutive fall-spring semesters or trimesters, as the case may be. (See Rule 5 regarding summer sessions)

For purposes of the above eligibility criteria:

A dependent child means, a child who qualifies as a federal tax exemption to the employee on his or her most recently filed federal tax return (Form 1040). An exception may be requested for a natural or legally adopted son or daughter in cases such as divorce or separation. A written explanation and proof of support is required; and

Any U.S. subsidiary of Phillips 66 in which ownership by Phillips 66 (or one of its subsidiaries) exceeds 50 percent shall be deemed employment by a Phillips 66 company within the meaning of the application criteria described in clause (a) above.

Children of employees who were principal officers of a Phillips 66 company as of February 1 of the year in which awards are made are ineligible to apply.

## **2. APPLICATIONS**

The only mode of application for students is a web based a-application. Applicants will be required to establish an online account by registering with the Program Administrator on its website at [www.scholarshipamerica.org/Phillips66](http://www.scholarshipamerica.org/Phillips66) . The Applicant is responsible for accurately completing the entire application form and submitting it to the Program Administrator no later than the submission deadline date listed on the website. Through the a-application process, an email address for the Phillips 66 employee will be requested. An email with an attached **PDF** fill-in form will then be sent to the employee to provide the family's financial information. In addition, applicants will be required to provide the Program Administrator with a current complete high school transcript of grades, a completed Applicant Appraisal Form, a completed Financial Data Form, and a copy of the 1040 federal tax form that corresponds to the information provided on the Financial Data Form. Submission deadlines and the manner in which these documents and forms must be submitted (either by postal mail or e-mail) will be described on the Program Administrator's website.

**THE PROGRAM ADMINISTRATOR MAY NOT CONSIDER APPLICATIONS RECEIVED AFTER THE DATE SPECIFIED IN THE APPLICATION, NOR MAY IT CONSIDER INCOMPLETE APPLICATIONS WHICH DO NOT INCLUDE ALL REQUESTED MATERIALS.**

## **3. SCHOLARSHIP AWARDS REVIEW PROCESS**

- (a) The Program will use standardized recipient selection procedures including the consideration of academic performance, demonstrated leadership and participation in school and community activities, work experience, a statement of career and educational goals and objectives, unusual personal or family circumstances and an outside appraisal.
- (b) Financial circumstances will also be used in the review process. For example, income, as defined as total family adjusted gross income plus 10 percent of family savings, may be used as a selection criterion. The final criterion will be determined annually by Phillips 66 and the Plan Administrator prior to the application period.

(c) Up to 66 awards of \$4,000 each will be granted, provided there are sufficient qualified applicants. The total number of scholarship awards will be limited to 25 percent of the total applicants. An additional 30 alternates will also be selected as described in Rule 4 below.

(d) Scholarship awards are for undergraduate study only.

#### **4. ALTERNATES**

If any scholarship award recipient does not accept the award or fails to meet the eligibility requirements to receive or renew the award, an alternate, in order of originally determined rank, will be deemed a recipient and will receive the remaining portion of the original recipient's award. To facilitate alternate selection, 30 alternates will be selected each year along with the 66 recipients. Upon the vacancy of an existing award, the highest ranking alternate from the list of alternates will be notified. To receive the award, the alternate must provide proof that he or she meets the renewal requirements of the Program including full-time enrollment and a cumulative 3.0 GPA on a 4.0 scale, or the equivalent.

#### **5. ANNUAL RENEWAL OF SCHOLARSHIP AWARDS**

Scholarship awards are renewable up to three consecutive years or until a bachelor's degree is earned, whichever occurs first, on the basis of maintaining full-time enrollment in an accredited institution of higher education and a 3.0 GPA on a 4.0 scale, or the equivalent.

Students who drop below full-time, do not maintain a cumulative 3.0 GPA or who fail or withdraw from more than one-third of their total credit hours in any one school year will forfeit their scholarship.

Students may petition the Program Administrator for a continuation of their award upon enrolling in the summer session to meet the above requirements. In addition, an exception may be made if absence from classes is on account of illness, certified to by a physician, or other exceptional reasons, shall have been the cause of a student's failing in or withdrawing from more than one-third of their total credit hours in any one school year.

#### **6. ACCELERATED SCHOOL ATTENDANCE**

Scholarship holders desiring to participate in plans for earning a bachelor's degree in less than four years may petition the Program Administrator for an acceleration of scholarship award payments. The Program Administrator may grant such petitions for accelerated payments upon presenting the existence of advanced standing credits or plans for accelerated school attendance. Such requests for accelerated scholarship award payments should not be presented and will not be accepted until at least 50 percent of the credit hours required for graduation have been earned. Earning a bachelor's degree in less than four years will not deny a scholarship recipient from receiving the full scholarship award distribution of \$16,000.

#### **7. MILITARY SERVICE**

Any award of a scholarship, or extension thereof, to a scholarship recipient called into or volunteering for active military service may be deferred from year to year at the request of the scholarship holder and at the discretion of the Program Administrator until such time as such active military service has been completed. Upon completion of such service, the scholarship recipient may petition the Program Administrator for reinstatement of such award or extension. The Program Administrator will grant reinstatement unless the petitioner is otherwise ineligible to receive funds under the provisions of these Rules and Regulations. Holders of scholarship

awards or extensions that are deferred and reinstated under this Rule 6 will be required to accept such awards or extensions for use during the next succeeding school year after completion of active military service.

#### **8. OBLIGATIONS OF THE HOLDERS OF THE SCHOLARSHIPS**

Scholarship holders will be required to maintain personal and scholastic standards satisfactory to Phillips 66 and the Program Administrator.

Each holder is required to work toward the completion of requirements to receive a bachelor's degree. Each holder must be a full-time student at all times, enrolled in at least 12 credit hours per semester or 24 credit hours during the school year (or the equivalent course load at institutions not utilizing credit hours as a measurement). It is expected that satisfactory performance, including passing grades in all subjects and a cumulative grade point average of 3.0 (or the equivalent at institutions not utilizing a 4.0 scale as a measurement), will be maintained each year. (See Rules 5 and 9)

Scholarship holders will be required to submit a progress report at the close of each year on forms provided by the Program Administrator. Information bearing upon the eligibility of any holder of an award or extension to continue to receive funds must be reported promptly by the holder to the Program Administrator. The Program Administrator may request periodic reports from the college or university in which the holder is enrolled.

Except as expressly provided in these Rules and Regulations, neither Phillips 66 nor the Program Administrator assume any responsibility or control over the conduct, course of study or personal affairs of holders of scholarships.

#### **9. REVOCATION AND FORFEITURE OF SCHOLARSHIPS**

The Program Administrator may revoke any scholarship award or extension thereof at any time. Revocation decisions are made at the sole discretion of the Program Administrator; however, petition for reinstatement can be submitted in writing to the Program Administrator stating the reasons for reconsideration.

Holders of scholarships or extensions thereof failing in and/or withdrawing from less than one-third of the total credit hours enrolled in for any one school year may petition the Program Administrator for continuation of the award or extension, upon showing of plans satisfactory to the Director to make up hours failed or withdrawn from. The Program Administrator may continue such award or extension, or revoke the scholarship, depending upon the circumstances of each individual case. Failure to make up hours failed or withdrawn from within a reasonable time shall forfeit the scholarship. (See Rule 5)

Failure in and/or withdrawal from more than one-third of the total credit hours enrolled in for any one school year shall forfeit any holder's scholarship. The Program Administrator may make exception to this Rule, upon petition by the holder, if absence from classes on account of illness, certified to by a physician, or other exceptional reasons, shall have been the cause of such failure or withdrawal.

Students who willingly participate in illegal activities that come to the attention of Phillips 66 or the Program Administrator will immediately forfeit their scholarship.

#### **10. DEATH, RETIREMENT, OR SEPARATION FROM SERVICE OF PARENT OF SCHOLARSHIP HOLDER**

Death of the parent of any scholarship holder or retirement from or separation from service with a Phillips 66 company by the parent of any scholarship holder shall not cause the scholarship holder to be ineligible to receive extensions of scholarship awards. (See Rule 5.)

#### **11. PAYMENTS OF FUNDS**

The Program Administrator determines the time and manner of payment of scholarship awards and extensions of scholarship awards under these Rules and Regulations. The standard payment schedule provides for the Program Administrator to pay scholarship checks in two installments of \$2,000 each. Checks are made payable to the college or university for the scholarship holder's account. The first installment will be mailed to the scholarship recipient's home address usually beginning in August for the fall term, and the second installment will be mailed beginning in December for the spring term. Requests for early payments and special handling will be denied. However, exceptions from this standard payment schedule may be approved for accelerated school attendance as explained in Rule 6.

#### **12. LIABILITIES AND RIGHTS**

Neither Phillips 66 nor Scholarship America, Inc., nor their respective subsidiaries, affiliates, directors, officers or employees shall be liable for the debts or conduct of holders of scholarships, and such holders shall have no right to anticipate, assign or transfer rights acquired by reason of awards of scholarships or extensions thereof.

#### **13. MISCELLANEOUS**

- (a) Scholarship awards may be subject to taxes, which are the responsibility of the scholarship recipient.
- (b) Marriage of scholarship holders does not affect eligibility to receive scholarship awards.
- (c) Enrollment in an accredited junior college is acceptable; however, the scholarship holder must be working toward the requirements for a bachelor's degree.
- (d) The Program Administrator has the discretion at any time to make such exceptions, interpretations, modifications and amendments to the provisions hereof as it deems appropriate.
- (e) Address all correspondence to:

Program Administrator  
Phillips 66 Dependent Scholarship Program  
Scholarship Management Services  
One Scholarship Way  
Saint Peter, MN 56082

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