

<p>Owner: Manager, Employee Relations Local Contact: HR Manager/Business Partner</p>	<p>HOLIDAY POLICY – U.S.</p>	<p>Policy Center </p>
<p>Approver: Senior Vice President, Human Resources</p>		<p>Date Issued/Revised: 07/01/2016</p>

If you have questions, please contact: [HR Connections](#) at 855-480-6634 or 918-977-7905.

I. PURPOSE

The Company designates certain days during the year as paid holidays for its employees. This policy establishes procedures for administering paid holidays.

II. ELIGIBILITY

This policy applies generally to U. S. based non-represented regular full-time, regular part-time, as well as represented employees where provided for under the terms of an applicable collective bargaining agreement. The policy does not apply to employees of retail marketing outlets.

III. SELECTION OF HOLIDAYS

Throughout various geographical areas of the country it is customary to recognize different holidays; therefore, it is not practical to establish fixed holidays applicable to all Company operations. However, the following holidays are generally observed on an annual basis:

- New Year's Day
- Good Friday
- Memorial Day
- Independence Day
- Labor Day
- Thanksgiving Day
- The Friday following Thanksgiving
- Christmas Day
- The day following or preceding the Christmas Day holiday

Sites that have a 9/80 work schedule will observe 9 paid holidays each calendar year.

Designated holidays will be observed on the calendar days on which they fall. However, holidays occurring on either Saturday or Sunday may be observed on the preceding Friday or following Monday. An exception to this is New Year's Day. If New Year's Day falls on a Saturday the holiday will be observed the following Monday.

Additionally, employees may elect to observe one "floating holiday" throughout the calendar year based on personal preference. A "floating holiday" may be used for observing national, religious, cultural, or local interest holidays on days when the company offices do not close, or for extending a fixed holiday or to take care of family and personal matters.

Key requirements and provisions related to observing a "floating holiday" are:

- Requires prior supervisor approval
- Requires 90-days continuous employment
- An unused personal holiday is not carried over
- An unused personal holiday is *not* paid out at time of termination unless required by state law.

(Note: Use Code #0080 when entering floating holidays into CATS.)

IV. HOLIDAY PAY

Employees have a 10-day/maximum of 80 hours holiday benefit per calendar year.

Where possible, an employee will not be required to report for work on a holiday and will be compensated as follows, provided the employee works or receives paid leave under a company policy, e.g. vacation policy, on the last workday prior to a holiday or the first workday following a holiday:

Examples include but are not limited to the following:

Before the Holiday	Holiday	After the Holiday	Type of Payment
Vacation Day	HLDY	Vacation Day	Holiday
STD	HLDY	Work Day	Holiday
STD/FMLA	HLDY	STD/FMLA	STD
STD	HLDY	STD	STD
Work Day	HLDY	STD	Holiday
Vacation/FML	HLDY	Vacation/FML	Holiday
No Pay	HLDY	No Pay	No Pay
No Pay/FML	HLDY	No Pay/FML	FMLA No Pay

12-hour shift workers are paid 8 hours straight time as holiday pay per holiday. This holiday payment is made in addition to regularly scheduled hours, whether or not the holiday falls on a scheduled workday.

A. Exempt Salaried Employees

Each employee who is exempt under the Fair Labor Standards Act will receive pay for the number of work hours normally scheduled at the equivalent hourly rate of the employee's regular monthly salary.

B. Nonexempt Salaried Employees

Each employee who is salaried and nonexempt under the Fair Labor Standards Act will receive pay for the number of work hours normally scheduled at the equivalent hourly rate of the employee's regular monthly salary.

A nonexempt salaried employee who is required to work on a day observed as a holiday will receive, in addition to the holiday pay referred to above, one and one-half (1½) times the straight-time base hourly rate of the job classification in which the work is performed for each hour worked and one and one-half (1½) times the shift differential where applicable.

Hours worked in excess of the normal workday schedule on a holiday will be paid in accordance with local pay practices, working policies or working agreement, whichever is applicable.

C. Nonexempt Hourly Employees

Each hourly paid employee who is nonexempt under the Fair Labor Standards Act will receive holiday pay at the straight-time base hourly rate of the employee's regular job classification for normally scheduled hours, exclusive of shift differential. This applies whether or not the employee is regularly scheduled to work on the holiday.

A nonexempt hourly paid employee who is required to work on a day observed as a holiday will receive, in addition to the holiday pay referred to above, one and one-half (1½) times the straight-time base hourly rate of the job classification in which the work is performed for each hour worked and one and one-half (1½) times the shift differential where applicable.

Hours worked in excess of the normal workday schedule on a holiday will be paid in accordance with local pay practices, working policies or working agreement, whichever is applicable.

D. Temporary Employees

Temporary employees (including summer hires and co-op students) will receive holiday pay for company designated holidays (but not the floating holiday) provided the holiday falls on a day in which the employee is normally scheduled to work, and the employee's

period of employment is expected to be at least 60 days. Example 1: A co-op student normally scheduled to work Monday, Wednesday and Friday would receive no holiday pay for Thanksgiving Day, but would receive holiday pay for the Friday after Thanksgiving Day. Example 2: A student employed to work during the Christmas break would not be entitled to holiday pay for Christmas Day, the day following or preceding Christmas Day or New Year's Day.

V. GENERAL PROVISIONS AND EXCLUSIONS

A. Holiday pay hours not actually worked by a nonexempt employee will be considered hours worked for purposes of calculating weekly overtime only if the holiday falls on a day that the employee is normally scheduled to work.

B. An employee who is on an approved leave (other than vacation) before and after the holiday will NOT receive Holiday pay. An approved leave includes but is not limited to the following: FMLA, STD, ML and Personnel leaves of absence. If the employee does not work or does not receive Paid leave under a company policy on the last workday prior to a holiday or the first workday following a holiday they will not receive holiday pay.

Example 1: An employee normally scheduled to work Monday through Friday and is away from work in a no pay situation on both sides of the New Years day holiday would not receive pay for the holiday and would instead receive no pay for that day.

C. An employee may be unavailable to work on a holiday for reasons that qualify the employee for benefits payable under the Phillips 66 Short-Term Disability ("STD") Plan. In such cases, the employee will not receive holiday pay, but may receive benefits provided under the STD Plan provided it is a normally scheduled workday.

D. Holidays paid and not worked should be in whole-day increments.

VI. HOLIDAY DURING VACATION

See [U.S. Vacation Policy](#), Section XI

Policy Contact: Human Resources
 Employee Relations

The Company establishes plans, policies and programs appropriate to the business needs and requirements of its various operations and organizations. The plans, policies or programs shown here are provided as guidelines to employees. Company plans, policies and programs are continually under review, and are subject to revision at any time without notice, at the sole discretion of the Company subject to applicable law and/or the terms of any applicable collective bargaining agreement or contract. The plans, policies and programs may differ by location, business, or employee group. Accordingly, individual employees are advised to confirm whether the information accessed here applies to them. Employees may contact HR Connections at 855-480-6634 or 918-977-7905 or their local HR representative if they have any questions. Nothing contained on this site is intended to create, nor is it to be construed to constitute, a contract between Phillips 66 or its subsidiaries and any employee or employees of Phillips 66 or its subsidiaries.

Absent a specific written contract to the contrary, employment with Phillips 66, its subsidiaries and affiliates may be terminated with or without cause at any time by the employee or the Company. Nothing contained in these plans, policies or programs shall create a required procedure, practice or policy that must or should be followed in the investigation, evaluation, or disposition of any personnel matter. The information provided is not intended to supersede applicable local, state or federal law or the terms or provisions of any current collective bargaining agreement. In the event of conflict, the law or collective bargaining agreement shall prevail.

The contents of this document are not intended to be the summary plan description (“SPD”) for the benefit plans mentioned. The SPDs can be obtained at <http://hr.phillips66.com/> or by contacting HR Connections at 855-480-6634 or 918-977-7905.