

## **Phillips 66-Branded Aviation Cooperative Fund Program**

### **Rules and Conditions**

#### **Eligibility:**

Phillips 66-branded aviation dealers (“Dealers”) and marketers (“Marketers”) are eligible to participate in the Phillips 66-Branded Aviation Cooperative Fund Program (“Co-Op Fund Program”). Participating Dealers and Marketers must have a current, executed branded fuel sales agreement with Phillips 66 Company (“Phillips 66”), and be in compliance with the terms of that agreement, including brand and image standards and quality control requirements. Marketer served Phillips 66-branded dealers (“Marketer Served Dealers”) are eligible to participate in the Co-Op Fund Program through their Marketer.

#### **Earning Co-Op Dollars:**

Dealers and Marketers will earn \$0.005 per gallon on actual purchases of Phillips 66-branded avgas and jet fuel purchased from Phillips 66 during a calendar year. In January of each year, qualifying gallons purchased during the previous calendar year are totaled, adjusted for Partners-Into-Plane Program sales or other unbranded purchases, and multiplied by \$0.005 per gallon to compute the earned Co-Op Fund Program funds (“Earned Program Funds”) balance (Partners-Into-Plane Program sales and other unbranded purchases are not eligible for this Co-Op Fund Program).

The starting balance of Earned Program Funds will be posted to the Dealer’s or Marketer’s Earned Program Funds in January of each year. Earned Program Funds not utilized by December 31 of the same year will expire, and will not be carried over to be used in subsequent years.

#### **Deadline for Submitting Claims:**

Claims must be submitted within one (1) year of the date of the vendor’s invoice who supplied the eligible goods or services to the Dealer, Marketer or Marketer Served Dealer.

Claims for reimbursement, including any prior approvals required, against the Earned Program Funds must be submitted through the BizLink automated claims submittal system by no later than November 30th of that same year. Claims submitted December 1st or later will be held and applied to Earned Program Funds in the following year.

Claims requiring preapproval should be submitted a minimum of 10 business days prior to the November 30th deadline to allow sufficient approval time.

#### **Submitting Co-Op Fund Program Claims:**

Claims for reimbursement must be submitted through the automated Co-Op Fund Program claims submittal process on BizLink. The Dealer, Marketer or Marketer Served Dealer must expend their own funds on items and submit a claim for reimbursement in accordance with the Co-Op Fund Program guidelines. Many items are pre-approved and can be submitted directly for reimbursement. Certain items require Phillips 66’s approval prior to submitting a claim for reimbursement. For such items, Dealers and Marketers who do not seek Phillips 66’s approval prior to purchase and then submits a claim, bear the risk of not being reimbursed if Phillips 66 does not approve the claim. See Qualifying Items for Reimbursement for items REQUIRING APPROVAL.

**Reimbursement:**

Phillips 66 will reimburse the Dealer or Marketer, on behalf of itself and its Marketer Served Dealers, fifty-percent (50%) of the approved vendor invoice amount. Once submitted and approved by Phillips 66, reimbursements will be made via electronic funds transfer ("EFT") to the Dealer's or Marketer's bank account within approximately thirty (30) days following the approval of the claim by Phillips 66.

If Earned Program Funds are not available to cover a claim, the unpaid portion will be placed in pending status until Earned Program Funds are available. All submitted claims are eligible for reimbursement for two (2) years from submittal date. An approved and pending claim that exists longer than two (2) years without Earned Program Funds to reimburse the Dealer or Marketer will expire.

Dealer's or Marketer's Earned Program Funds balance, claim status (approved, rejected, pending, partial payment, etc.), and records of past claims may be viewed on BizLink.

**FTC Guideline Requirements:**

Dealers and Marketers, on behalf of itself and its Marketer Served Dealers, accrue funds based on purchases of aviation jet fuel and avgas directly from Phillips 66 and can monitor their Earned Program Funds balance via BizLink. By participating in the Co-Op Fund Program, Marketers agree that each of their dealers may participate in the Co-Op Fund Program, and will inform each of their dealers of the amount of Co-Op Fund Program funds earned by that dealer in the preceding year.

If a Marketer Served Dealer does not elect to take part in the Co-Op Fund Program or desires to pool its Earned Program Funds with its Marketer's Earned Program Funds, Marketer must obtain a signed letter from their dealer assigning its rights to the Earned Program Funds to its Marketer. This letter of assignment will be submitted to Phillips 66 upon request.

If a Marketer Served Dealer elects to take part in the Co-Op Fund Program, Marketer, on behalf of its dealer, will submit to Phillips 66 the claim for reimbursement and retain all required documents of the items claimed by the dealer. Marketer will reimburse its dealer for the claim, up to the total of each dealer's Earned Program Funds.

When reimbursement is other than the amount claimed, the reason(s) will be supplied by Phillips 66 (i.e. pending status, non-qualifying item).

Phillips 66 reserves the right to audit Dealer's and Marketer's Co-Op Fund Program records. Failure to grant or gain such permission will relieve Phillips 66 of any obligation to honor such claims.

**Transfer of Co-Op Program Funds from One Entity to Another:****Dealer or Marketer Sale:**

In the event of the sale of a Dealer or Marketer, and Phillips 66 agrees to the assignment of the existing contract with Phillips 66, the Dealer's or Marketer's Earned Program Funds will transfer to the new entity. If a new contract is executed between the new entity and Phillips 66, there will be no transfer of Earned Program Funds from the sold entity to the new entity unless expressly agreed to in the new contract between the new entity and Phillips 66.

**Marketer Served Dealer Transfers to Another Marketer:**

If a dealer supplied by Marketer "A" ends its relationship with Marketer "A" and enters a relationship with Marketer "B", there will be no transfer of Earned Program Funds from Marketer "A" to Marketer "B" unless the transfer was the result of a sale of Marketer "A" to Marketer "B" or a merger between the two Marketers.

**Direct Dealer Transfers to Marketer Served Dealer:**

If a direct Dealer transfers to a Marketer, the Dealer's Earned Program Funds will transfer to the Marketer.

**Termination of Fuel Sales Agreement:**

Should a Dealer's or Marketer's branded agreement be terminated for any reason, the Earned Program Fund balance associated with that Dealer or Marketer will be forfeited upon termination.

**Record Retention:**

Dealers and Marketers are required to retain all documentation supporting each claim for two (2) years from the date the claim was submitted to Phillips 66. See Qualifying Items for Reimbursement for specific requirements.

**Auditing:**

Phillips 66 reserves the right to audit Dealer's or Marketer's records at any time. Paid claims will be selected for audit at random. When a claim is selected, the appropriate Dealer or Marketer will be notified. The Dealer or Marketer will have thirty (30) days to provide the requested documentation. A Dealer or Marketer who fails to provide the requested documentation within the given time frame forfeits the opportunity to provide data, and any monies previously paid on the related claim will be drafted by EFT from the Dealer's or Marketer's account.

**Modification or Termination of Co-Op Fund Program Offering:**

The Co-Op Fund Program may be amended or terminated by Phillips 66 at any time with thirty (30) days' notice posted on BizLink.