

reason of the fact that the parent of such holder shall have ceased to be an employee of Phillips Petroleum Company or any of its subsidiaries on account of the death or retirement of such parent. The Committee, in its discretion, shall determine whether or not any holder of a scholarship shall continue to receive payments after the parent of such holder shall have ceased to be an employee of Phillips Petroleum Company or any of its subsidiaries for any reason other than death or retirement. In any event, payments will continue until the end of the current school year.

10. Parents shall be liable for conduct and obligations of the holder of a scholarship. The Educational Fund for Children of Phillips Petroleum Company Employees or The Committee shall not be liable for debts or the conduct of students, and students shall have no right to anticipate, assign, or transfer any rights acquired by reason of having been awarded a scholarship. Expulsion shall forfeit the scholarship. Conduct which, in the judgment of The Committee, is unbecoming the holder of a scholarship, will forfeit the scholarship.

11. The scholarship shall be applied to tuition, necessary books, and equipment and then toward maintenance. If any of the scholarship award shall then remain, the student may have the balance for incidentals. The time and manner of payment of each \$400.00 annual award shall be determined by The Committee and payment may be made, in the discretion of The Committee, to the school or to the parent of the holder of the scholarship, or to the student himself.