

Charles D. Jacobus Family Foundation
Scholarship Award Policy

I. General

The Scholarship Award and payment procedures shall conform at all times to the requirements set forth in the Internal Revenue Code and applicable regulations.

II. Purpose of Grant

To provide financial assistance to a student selected by the Scholarship Committee for a period of up to four (4) years while enrolled in an accredited college or university.

III. Qualifications of Applicants

- A. The child/step child of any full-time employee of Jacobus Energy, Inc. or one of its affiliates at the time the award is issued shall be qualified for consideration by the Scholarship Committee, provided, however, that the employee-parent shall have had 1000 hours of continuous employment at the time of application.
- B. At the time of application, applicant shall provide information requested by the Scholarship Committee; and shall be otherwise scholastically qualified for enrollment into the freshman or sophomore year of college starting in the Fall semester of the school year following award of the scholarship.

IV. Scholarship Committee

- A. The members of the Scholarship Committee shall be appointed by the Board of Directors and shall number three or more persons.
- B. No member of the Scholarship Committee shall derive a personal benefit, directly or indirectly, if certain applicants are selected over others.
- C. The members of the Scholarship Committee shall be qualified to select a recipient utilizing objective and nondiscriminatory criteria.

V. Selection Criteria

- A. The criteria for selection of a scholarship recipient shall be the responsibility of the Scholarship Committee and may include the following:
 - 1. Prior academic performance
 - 2. Performance on tests designed to measure ability and aptitude for college work
 - 3. Recommendations from instructors, advisors or employers
 - 4. Conclusions of the Committee drawn from the applicant's written statement regarding personal goals and motivation.

- B. Such other criteria for selection of scholarship recipient determined by the Scholarship Committee shall be objective and nondiscriminatory, consistent with the purpose of the grant, and consistent with the Foundation's status under the Internal Revenue Code.

VI. Notice of Grant

- A. A general announcement of the meeting of the Scholarship Committee to select recipient and application procedures shall be made at least 30 days prior to the meeting, by posted notices and such other methods determined to afford all qualified applicants an opportunity to be informed of availability of scholarships.
- B. Grant recipient and all applicants shall be notified of the Committee's determination.

VII. Continuance of Grant Payments

- A. Scholarship recipient receives one-half (1/2) of grant funds at or prior to the starting of the school year and the balance after January 1st of the school year, or at such time as may be mutually convenient for the student and Foundation.
- B. Grant payments will continue for up to four (4) years provided:
 - 1. Recipient continues satisfactory enrollment in an accredited college or University
 - 2. Recipient maintains a "B" average or equivalent
 - 3. Recipient provides such information on academic progress and utilization of granted funds as may be required by the Foundation to fulfill Internal Revenue Service requirements
- C. Scholastic records of each recipient will be referred to the Scholarship Committee. The Scholarship Committee shall determine qualification of recipient to continue to receive grant payments in the event recipient does not maintain the grade average requirement. At the sole discretion of the Scholarship Committee, a probationary period of one additional semester may be granted provided that the average grades received during the prior grading period(s) was not less than a "C+" or equivalent.
- D. Grant payments will be suspended or terminated only if student is eliminated from the Scholarship Program by the Scholarship Committee, or otherwise caused diversion of funds from the purposes of the grant.