

Tuition Reimbursement Policy (rev March 2016)

The Home Depot's Tuition Reimbursement Program encourages and supports associates who enroll in college, university, and technical school courses in order to obtain an associate's, bachelor's, master's, doctoral, or technical degree. In addition, Language Proficiency Certifications and specific Information Technology (IT) Certifications are covered. This policy supersedes any previously published communication or presentation regarding tuition reimbursement.

Tuition reimbursement benefits are provided to an associate based on information the Company may request over the phone, in writing, and online. The Company may ask an associate to provide original documentation for the purpose of verification before granting tuition reimbursement benefits. The Company may also ask an associate to sign a release authorizing the Company to solicit the required documentation and/or information from a designated third party. Providing false information may result in loss of eligibility for benefits and/or disciplinary action in accordance with the Company's Code of Conduct.

Eligibility to Apply for Tuition Reimbursement

Salaried, full-time hourly and part-time hourly associates are eligible to apply for tuition reimbursement after 90 days of service. Salaried associates with more than 5% ownership as shareholders of The Home Depot are not eligible for tuition reimbursement.

Temporary associates are not eligible for the Tuition Reimbursement Program.

Eligibility to Receive Tuition Reimbursement

The following requirements must be met in order to receive tuition reimbursement:

- The course must begin *after* the associate has met the eligibility requirements, including the 90 days of service requirement and while the associate is actively employed by The Home Depot.
- The course must end after the associate has met the eligibility requirements to apply for tuition reimbursement and while the associate is actively employed by The Home Depot.
- The course(s) must meet the requirements outlined under the "Approved Courses" section below.
- Associate must earn a grade of "C" or better. If the course is on a "pass/fail" grading system, the associate must earn a "pass" grade.
- **Application and supporting documentation for reimbursement must be received by the Benefits Choice Center no later than 75 days after a course is completed.**
- The associate's employment status must be "active" on the date tuition reimbursement is paid. For example, even if an associate is active when the application is approved, the associate will not be eligible for the reimbursement payment if the associate terminates employment before the reimbursement is actually paid.

Approved Courses

The following criteria must apply in order for a course to qualify for reimbursement:

- Courses must be offered by an accredited college, university or technical school.
- Courses must earn degree credits towards an associate's, bachelor's, master's, doctoral or technical degree.

- Coursework may be completed through traditional classes or through non-traditional programs such as on-line or other distance-learning programs.
- Coursework must be related to the business of the Company. Academic disciplines generally regarded as related to Company business and considered eligible for reimbursement under the Program include:
 - Accounting
 - Adult education and curriculum development
 - Advertising and public relations
 - Business administration and management
 - Communications and graphic design
 - Human resource management and development
 - Information technology and related fields
 - Law
 - Marketing and merchandising
 - Organizational development and psychology
 - Real estate management and development

Certification Requirements

Language Proficiency

- Available to associates who desire to improve their grammar, verbal, and writing skills for their language of choice. Courses must be taken at a learning institution or community program (no individual instructors) and validated by:
 - Tax ID or Non Profit ID number AND
 - Course grade report or certificate of completion
- **Language software/online courses are not covered.**
- Prior to applying for reimbursement, review the Language Proficiency Submission Guide located on livetheorangelife.com > Save & Protect > Additional Saving Opportunities > Tuition Reimbursement.

IT Certifications

- Associate must obtain written approval from their Manager by completing the IT Certification Preapproval form before the IT certification reimbursement is paid.
- Applies to specific certifications and covers coursework, books, and exam fees.
- Approved certifications include:
 - Certified Information Systems Security Professional (CISSP)
 - Global Information Assurance Certification (GIAC)
 - International Software Testing Qualification Board (ISTQB)
 - Java Certification
- Prior to applying for reimbursement, review the IT Certification Submission Guide located on livetheorangelife.com > Save & Protect > Additional Saving Opportunities > Tuition Reimbursement.

Reimbursement Limits

The following limits apply to all requests approved for tuition reimbursement:

- 50% of the cost of tuition, books and reasonable class registration fees for approved course(s).
- 50% of mandatory fees up to a maximum reimbursement of \$5000 annually. The program recognizes additional mandatory fees as qualified expenses. Mandatory fees are additional charges that many institutions “unbundle” from tuition but are still required for enrollment. Typically, these fees are for student activities, health services, athletics, technology and facility use.

Salaried Associates:

Annual maximum reimbursement paid in any calendar year for all approved courses is \$5,000.

Full-time Hourly Associates:

Annual maximum reimbursement paid in any calendar year for all approved courses is \$3,000.

Part-time Hourly Associates:

Annual maximum reimbursement paid in any calendar year for all approved courses is \$1,500.

Special Circumstances

The following special circumstances apply to the Tuition Reimbursement Program:

- **Leave of Absence:** An associate on an approved leave of absence who was eligible to apply for tuition reimbursement prior to the date the leave began can receive tuition reimbursement upon return from leave provided all eligibility and reimbursement requirements as outlined above are met.
- **Reduction in Force:** An associate who was eligible to apply for tuition reimbursement at the time employment was terminated due to a reduction in force can receive tuition reimbursement provided all eligibility and reimbursement requirements as outlined above are met except active status on the date of payment.
- **Relocation:** An associate who was eligible to apply for tuition reimbursement at the time of a relocation to a new address at the request of the Company before completing coursework can receive tuition reimbursement for the unfinished coursework provided all eligibility and reimbursement requirements as outlined above are met with the exception of the passing grade. Associates who relocate at their own request before completing any coursework will not be reimbursed.
- **Death:** Tuition reimbursement will be paid to the estate on behalf of an associate who does not complete coursework due to the death of the associate provided all eligibility and reimbursement requirement as outlined above were met prior to the date of death with the exception of the passing grade and active status on date of payment.
- **Acquired Associates:** Associates from a newly acquired company will be subject to approval into the Tuition Reimbursement Program effective on or after the acquisition date.

Reduction of Benefit

The amount of the reimbursement received through the Tuition Reimbursement Program will be reduced dollar for dollar by the amount of grants, scholarships and other financial aid or course

discounts which are paid directly to the institution and which the student does not have to pay back.

Tax Considerations

According to current IRS guidelines, up to \$5,250 per calendar year paid to an employee by an employer for undergraduate and graduate-level courses is excludable from gross income. Because the annual maximum amount available to an associate is less than \$5,250, reimbursement received through the Tuition Reimbursement Program is not subject to taxes or withholding. Tuition reimbursement benefits are taxable to highly compensated employees (HCEs). Associates earning \$120,000 in 2015 are HCEs for 2016. The HCE dollar amount is adjusted annually for inflation. If you are a highly compensated associate please contact the Benefits Choice Center at 1-800-555-4954 for more information regarding tuition reimbursement.

Courses and Expenses That Do Not Qualify

Courses and expenses that do not qualify for reimbursement in the Program include:

- Certification or accreditation courses (not including Language Proficiency or specific IT certifications), workshops, seminars (e.g., forklift) taken to meet job requirements but not taken towards the completion of a college degree
- See separate SOP for reimbursement for National Kitchen and Bath (NKBA)
- Review courses taken in preparation for testing and exams
- College entrance and qualifying exams (SAT, GRE)
- Courses audited without college credit
- Courses re-taken because of loss of credit due to transfer unless the transfer occurs because the associate relocates at the request of the company
- Equivalence exams; life experience credits
- Standardized tests to earn college credit by examination offered by the College
- Level Examination Program (CLEP) or other exams that waive a requirement Tools or supplies other than textbooks
- Meals, lodging and transportation
- Fees for parking, student activities, etc.
- Education involving sports, games or hobbies

Associate Procedures for Applying for Tuition Reimbursement

An associate applying for tuition reimbursement should complete the following steps:

1. Complete the online application located at livetheorangelife.com or call the Benefits Choice Center at 1-800-555-4954.
2. Fax in the online application and supporting documentation to Your Spending Account (YSA) at 1-888-211-9900. Do not mail. Retain your fax transmittal confirmation notice.
 - You may also utilize the documentation upload feature to scan and upload your receipts and other documentation at the same time you submit your claims to avoid the need to fax documentation separately. Uploaded documentation can be viewed on livetheorangelife.com within two hours. *Here's How It Works:*
 - i. Scan your receipt or document.
 - ii. Files can be uploaded in the following formats: jpg, jpeg, pdf, gif, tif, tiff, png and bmp.

- iii. After scanning and saving your documents, follow the onscreen instructions to attach and send your file(s).
3. The application for reimbursement and documentation must be received by Your Spending Account (YSA) no later than 75 days after the completion of the approved course(s). It is important to include all of the information requested to complete the application. If the application is incomplete, the associate's reimbursement will be delayed or may be denied.

Reimbursement Approval

If the request for reimbursement is approved, the associate receives an email notification from Your Spending Account at their preferred email address upon approval. Reimbursement will be included in the next one or two paychecks.

Reimbursement Denial

If the request for reimbursement is denied, the associate will receive an email notification from Your Spending Account at their preferred email address upon denial. If the request is denied for reasons such as an illegible or incomplete application or an invalid reimbursement amount, the associate may resubmit the claim with additional documentation, as long as he/she is still within 75 days after completion of the requested course(s).