Tuition Reimbursement Policy (rev June 2017)

The Home Depot’s Tuition Reimbursement Program encourages and supports associates who want to earn an associate’s, bachelor’s, master’s or doctoral degree from a college or university; or an academic certificate from an accredited school. 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(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 Tuition Reimbursement Administrator no later than 90 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 (other than for the language proficiency and IT certifications) 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 credits towards an associate’s, bachelors, masters, doctoral degree; or an academic certificate from an accredited school. An academic certificate is defined as a series of courses taught at an accredited educational institution.
Coursework may be completed through traditional classes or through non-traditional programs such as on-line or other distance-learning programs.

Standardized test to earn college credit by examination offered by the College Level Examination Program (CLEP) or other exams that waive a requirement.

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.

IT Certifications
- Associate must obtain written approval from their Manager by completing the 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

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 up to the annual caps listed below based on job classification. 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. Associates will have the later of 90 days after their course end date or 30 days from their leave return date to submit for reimbursement.

- **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 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, provided all other eligibility and reimbursement requirements as outlined above are met.

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 2016 are HCEs for 2017. The HCE dollar amount is adjusted annually for inflation. If you are a highly compensated associate, please contact the Tuition Reimbursement Administrator at 1-866-417-2235 for more information regarding NKBA certification 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 that are awarded through an exam by an industry-specific standard-setting organization (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
- 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 livetheorangelfife.com or call the Tuition Reimbursement Administrator at 1-866-417-2235.
2. The application for reimbursement and documentation must be received by the Tuition Reimbursement Administrator no later than 90 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.
3. **There will be a claim submission cutoff date in early December of each year for reimbursements to be applicable for that tax year. If this date is missed, the claim will be reimbursed against the annual limit in the following tax year.** Please refer to the Tuition Reimbursement Administrator’s website for the applicable cutoff date for the current tax year.
   i. In situations where an associate will not have a final grade prior to the submission cutoff date, the associate will be permitted, in lieu of a grade, to submit their reimbursement claim accompanied by a letter from their professor, on the university/institution letterhead, confirming that the associate will be expected to receive a passing grade in the specified course.

Reimbursement Approval

If the request for reimbursement is approved, the associate receives an email notification from the Tuition Reimbursement Administrator at their preferred email address upon approval for payment processing. 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 the Tuition Reimbursement Administrator at their preferred email address upon denial. If the request is denied for reasons such as an ineligible 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 90 days after completion of the requested course(s).