

Policy Statement

Cupertino Electric, Inc. provides financial support to employees who participate in externally sponsored educational courses which meet the criteria outlined in this Policy. Such support is intended to enhance employees' professional development and their skills and knowledge related to our business.

Administrative Guidelines

I. Requirements

A. Eligibility

Active employees who are classified as "full-time" (regularly scheduled to work 30 or more hours per week) with at least ninety days of continuous service prior to the start of the course are eligible to apply for reimbursement for qualified Educational expenses. (For purposes of this policy, "active" means employees who are not on a leave of absence at the time of taking the course.)

B. Termination of Eligibility

1. Eligibility ceases upon notice of termination of employment. No reimbursements will be made to former employees, to employees who have given notice of resignation, or who have been notified that they will be involuntarily terminated. This includes situations in which approval of such reimbursement was previously provided and/or the course was satisfactorily completed prior to the date of termination. The only exception to this will be to employees whose jobs are eliminated and who are eligible for severance. In that case the employee will be eligible for reimbursement for any approved courses that are in session at the time of their job elimination if the employee submits proof of satisfactory course completion within 3 months of their severance termination date. An employee whose job is eliminated and who is eligible for severance is ineligible for reimbursement for courses enrolled in after he or she has received notice of job elimination.

2. Eligibility for Educational reimbursement also ceases when an employee receives a Performance Improvement Plan ("PIP" or other performance action plan) while taking Educational Reimbursement courses. In this circumstance, the employee may complete courses that are in session at the time of the PIP but will not be eligible for reimbursement for any new courses enrolled in after receiving the PIP.

C. Types of Assistance

Assistance, when approved, is given in the form of Educational reimbursement after successful course completion. Successful completion of a course shall be evidenced by a report from the school showing a passing grade of at least "C" or better. If grades are not normally awarded, a statement of satisfactory completion must be presented; for instance, this may include a pass/fail situation.

D. Approved Schools

Courses taken at accredited academic institutions will be eligible for consideration. Correspondence courses or online courses and certification courses will be considered for reimbursement.

E. Courses Eligible for Reimbursement

Eligibility for reimbursement of courses will be determined by any of the following criteria:

- Coursework or certification relevant to the employee's current job assignment
- Coursework or certification relevant to a position within Cupertino Electric, Inc. for which the employee is being trained; or considered. i.e.: CA Professional Engineer Licensing Program
- Coursework or certification relevant to a written development plan established by the employee's manager
- Coursework that applies to a specific business-related degree or would reasonably relate to Cupertino Electric, Inc. business
- Coursework or certification courses that take place during normal business hours are ineligible without explicit approval from the business line Vice President and Senior Vice President of Human Resources prior to course enrollment

Decisions regarding the fees and expenses associated with preparatory courses or certification exams are left to the discretion of the business line. Generally these types of expenses depend upon the business need for such certification or the value added to the employee's skills or knowledge as a result of the certification process. Lab fees associated with an approved course are also generally reimbursable. Certification expenses that are approved based on business need should be processed as any other training related expenses.

II. Educational Benefit**A. Amount Reimbursed**

Eligible expenses are reimbursable up to a maximum amount of \$5,250 for the current year. Currently, reimbursements of up to \$5,250 annually will not be subject to income tax withholdings.

B. Financial Assistance Outside of the Company

Eligible employees who receive assistance from outside sources (scholarships, grants, GI Bill, and other stipends) are eligible for Educational reimbursement only if the cost of the Educational exceeds the amount of assistance received. In such cases, Cupertino Electric, Inc. will reimburse the difference for qualifying Educational, up to the total dollar amounts noted above.

III. Restrictions

In addition to any limitations or restrictions noted above, the following will apply:

- Approval for courses required in a business-related degree program will be given on a course-by-course basis for only one quarter or semester at a time.

In no instance will a commitment be made for a degree program beyond one quarter or semester. Cupertino Electric, Inc. may request verification of each course's applicability to a degree program before reimbursement is approved. Also, elective courses may not be approved where an employee has the option of taking other courses that are more applicable to business, yet the employee refuses to take that option.

- No commitment shall be made or inferred regarding job change, transfer or promotion upon completion of any coursework or degree program.
- The cost of parking, travel, meals, lodging or other expenses related to the course is not reimbursable.
- Cupertino Electric, Inc. follows all rules and regulations concerning the taxability of reimbursements provided under applicable law.

IV. Procedures

To qualify for and receive Educational reimbursement, the employee is required to:

- Complete the Educational Reimbursement Pre-Approval form and obtain managerial consent prior to the beginning of the course.
- Submit the approved and signed Educational Reimbursement Pre-Approval form to your HR Business Partner.
- Upon course completion, obtain evidence of satisfactory completion of the course as well as a statement/receipt reflecting the amount of the Educational paid (such as an Educational statement or receipt of payment for Educational).
- Submit grade report and a statement/receipt reflecting the amount of the Educational paid (such as an Educational statement or receipt of payment for Educational) to Human Resources. Any additional paperwork that may affect the amount to be reimbursed (i.e., grants, scholarships, GI bill, etc.) should accompany the paperwork. Paperwork should be submitted within 30 days of course completion.
- Approved reimbursements will be deposited, along with the employee's regular pay, into the employee's bank account for those employees who have direct deposit of their pay. Other employees will receive the reimbursement in the paycheck they receive. Reimbursement will generally occur within 30 days or two pay periods following submission of all of the appropriate paperwork.
- General questions concerning the Educational Reimbursement Policy or Program should be directed to your HR Business Partner.