

## INTENT

In recognizing that "Employees are our Greatest Strength," we encourage employees to improve their job skills and knowledge in an effort to enhance their capabilities and increase their opportunities for growth with the company.

## DEFINITION

Continuing Education applies to both full and part-time regular employees:

Employees are eligible for reimbursement for all courses leading toward an undergraduate degree at an accredited post-secondary institution that relates to a current/future position within Microchip consistent with company identified career goals or company needs. We may require verification that you are enrolled in an undergraduate degree program before approving reimbursement for a specific class. This reimbursement is non-taxable (subject to IRS limitations).

In accordance with IRS regulations, reimbursement for graduate courses of any kind that lead to a business, law, medical, or other advanced degree must be treated as a taxable reimbursement to employees, as they can prepare an employee for another position. The reimbursement for graduate courses that either a) maintain or improve skills required in the employee's current position, or b) are a requirement for continued employment will not be taxed (subject to IRS limitations).

Both full-time and part-time employees are eligible for reimbursement for all courses related to a current position or a future assignment/promotion consistent with identified career goals or company needs.

## POLICY

1. Your request for a refund will only be considered if you were a regular part-time or full-time employee and you were actively working for Microchip at the start and at the completion of the course(s) to be reimbursed.
2. If on an Attendance Notice II (ANII) or a Performance Improvement Plan (PIP) you can not be approved for reimbursement for any future classes until you've successfully completed the terms of your ANII &/or PIP. If you are currently attending an approved class at the time you are placed on an ANII or PIP, that class will still be eligible for reimbursement, subject to the terms of the policy.
3. After successfully completing a continuing education class, you will be reimbursed for all tuition, registration fees, lab fees, and books.
  - You must receive a passing grade of "C" or better or a Pass if no grade is issued. Failures or incomplete will not be reimbursed, except in the case where an incomplete is caused by the company.
  - Student activity fees, parking fees and other indirect expenses will not be reimbursed.
  - If you receive assistance from any other sources, such as from a scholarship or from the military, we will pay the difference between the amount you receive and the total cost. This information must be disclosed on the Tuition Reimbursement Form.

# Tuition Reimbursement

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4. To receive your reimbursement, you must submit the "Tuition Reimbursement" form (form attached and available under ChipNews, HR Forms Bin), proof of satisfactory completion of the course, and all receipts to the Human Resources Department.
  - The "Tuition Reimbursement" form must be completed, signed and submitted to Human Resources BEFORE the first class session. Failure to remit the form for approval prior to commencing courses may result in a denial for reimbursement.
  - Once approved, a copy of the form will be returned to you. When you complete the class, submit the course completion documentation and receipts to Human Resources for reimbursement. Reimbursements are processed weekly.
5. We will reimburse you for taking up to 2 courses at any one time (full-time regular). Full-time employees attending Community College may be reimbursed for taking up to 3 Community College courses at any one time. We will reimburse you for taking up to 1 course at any one time (part-time regular).
6. Employees are responsible for any tax liability resulting from benefits paid under this policy.
7. \* Full-time (FT) employees work 32 or more hours per week.
8. \* Part-time (PT) employees work 20 - 31 hours per week.

Microchip may elect to handle individual circumstances on a case-by-case basis at the sole discretion of the company.

Microchip Technology INC.  
Human Resources Policies

Ex. S-2