Education Assistance

- ## Statement of Procedure

This procedure describes guidelines for NXP's U.S. Education Assistance Program.

- ## Scope

This procedure applies to all active NXP employees on a U.S. payroll based at locations within the United States.

- ## Application

Eligibility Requirements

An employee must obtain the approval of his or her immediate manager and Human Resources prior to participating in the U.S. Education Assistance Program.

Full-time and part-time (working 20-35 hours per week), active, regular employees are eligible to apply for Education Assistance beginning their first date of employment. Employees with current documented performance issues are not eligible to participate in the program or to continue participating in an approved Program of Study unless doing so is part of a performance improvement plan.

Co-op students, interns, independent contractors, third-party contractors, consultants, temporary workers or any individuals otherwise not on a U.S. NXP payroll are not eligible to receive Education Assistance under this procedure. Individuals who become an employee after a course commences are not eligible for Education Assistance for that course.

If an employee takes leave under the NXP US Medical / FMLA Leave Procedure, or leave under the Family and Medical Leave Act, or is otherwise placed on "inactive status" while enrolled in a course, he or she will be eligible for reimbursement for that course if it is satisfactorily completed. Future Education Assistance for all employees on leave under the NXP US Medical / FMLA Leave Procedure or leave under the Family and Medical Leave Act will be suspended until the employee is returned to active status. Employees who initiate a NXP Personal Leave prior to course completion are not eligible for reimbursement for that or future courses beginning while on the personal leave of absence. Since the time on leave of absence is considered "inactive status", this time will not be counted toward the twelve months preceding an employee's separation date for calculation and repayment of reimbursement expenses.

Covered Degrees and Programs

Reimbursement is available for credit courses that are applicable toward a Certificate Program, or an Associate's, Bachelor's, Master's, or PhD degree. The college or university offering the course must be accredited by one of the six U.S. regional accrediting associations. Reimbursement is not provided for audit courses or courses earning Continuing Education Units (CEU's).

To qualify for Education Assistance, the Program of Study must be directly relevant to the employee's current job, or to a reasonably attainable job at NXP. Traditional degrees and/or individual courses within the following disciplines usually qualify as being relevant to employment at NXP:

- Business (i.e., Marketing, Accounting, Finance)
- Computer Science
- Engineering
- Human Resources
- Logistics/Materials
- Management
- Manufacturing
- Technology

Degrees/course(s) that specifically apply to the employee's current job function, if not listed above, may also be eligible.

E-Learning courses are covered under the Education Assistance procedure provided the college/university meets the accreditation criteria in the United States. NXP will not approve e-Learning programs that require capital expenditures by NXP.

Preparatory courses and examinations covered are:

- Preparatory courses and their examination fees: Graduate Equivalency Diploma (GED), Graduate Management Admission Test (GMAT), Graduate Record Examination (GRE), Scholastic Aptitude Test (SAT), American College Test (ACT), Test of English as a Foreign Language (TOEFL). **A separate Program of Study is required for the preparatory course.**
- College Level Exam Program (CLEP), Corporate CLEP (web-based)

Reimbursement

Reimbursement is available for covered educational expenses up to a maximum of $5250 per calendar year. Requests for reimbursements must be submitted within twelve weeks of course completion. Covered educational expenses will be reimbursed 100% for the following:
1. A grade of C or better in a graded undergraduate course; a grade of B or better in a graded graduate course or Ph.D. course; a "pass" in a pass/fail course.

2. If a course has no grade (such as Master's Thesis preparation), the employee is required to obtain a letter from the instructor on institution letterhead stating the course number, name of the course, number of course credit hours, contact information and a confirmation (such as a grade equivalence of minimum grade earned) that the course was successfully completed.

Specific expenses covered:

- Tuition for credit courses and certain preparation courses and exams specified in this procedure
- Mandatory fees for credit courses
- Mandatory books and software
- E-learning curriculum materials
- Parking (if school includes it as a mandatory fee)
- Portfolio assessment/Prior learning assessment
- Masters Thesis preparation

Examples of expenses not covered:

- Deferred payment fees
- Travel
- Non-mandatory parking
- Hardware
- Installment fees
- Fees for adds/drops
- Preparation courses and exam fees for professional certification such as CPA, PE, PHR or APICS
- Interest on loans

Payment Processing

Approved Education Reimbursement requests will be reported to payroll for payment. Please allow two bi-weekly pay cycles for processing from the time the request is routed to the hr.helpdesk.amr@nxp.com. Payment is issued in accordance with the normal pay cycle. It is important to note that Payroll sets cut-off deadlines at the end of every year so they can complete all end of year transactions and ensure taxes are applied appropriately. Reimbursements submitted and approved after the final payroll transmit of the year, will be reimbursed in the following year. All reimbursements apply towards the cap for the year in which the reimbursement was received by the employee.

Tax Treatment

Any employee receiving Education Assistance is responsible for any applicable federal, state, and local taxes. Taxes will be withheld from payment according to Internal Revenue Service Regulations. Participants in the Education Assistance Program acknowledge their responsibility for any tax implications as a condition to participation in the program, and are encouraged to consult with their tax advisors as appropriate.

Separation from Employment

Except as provided below, an employee's eligibility to participate and receive reimbursement under this procedure ends upon separation from employment. If employment ends either by voluntary resignation or involuntary termination prior to completion of a current course, NXP has no obligation to provide reimbursement for that course.

Employees separated from employment under a voluntary or involuntary severance plan (VSP/ISP) during a reduction in force, will be eligible for reimbursement for courses with a course start date prior to their date of separation. The employee must successfully complete any such course and submit all required documentation in order to receive reimbursement. Employees separated under a VSP or ISP will not be eligible for reimbursement for any course with a course start date beginning after their separation from employment. Separated employees are required to comply with procedure reimbursement guidelines, including the timeframe to return grades.

Program participants must acknowledge understanding of the Education Commitment Agreement regarding the repayment of reimbursed expenses if the employee voluntarily resigns or is involuntarily terminated from employment with NXP. Specifically, this agreement will require the employee to repay any expenses paid by NXP for Education Assistance during the twelve-month period preceding the employee's separation from employment. Employees leaving under a voluntary or involuntary severance plan during a reduction in force will not be required to repay expenses under this procedure.

Disputes

Disputes regarding participation in and expenses covered under the U.S. Education Assistance Program will be escalated through the Open Door Process. NXP retains the discretion to pursue, as appropriate, repayment of overpayments or reimbursement payments made in contravention of this procedure.

● Responsibilities

Management – Managers have the responsibility to review and determine whether to approve a Program of Study application. Prior to granting approval, managers should consider factors such as the employee's current work obligations, alignment of the program to identified development needs, acceptance of the school selected, and whether the

proposed course of study relates to employment at NXP. The manager must verify that the employee seeking Education Assistance (1) does not have any current documented corrective action, (2) is not on a Performance Improvement Plan, (3) has completed all of the forms in the Educational Assistance Application Packet.

Employee - The employee has the responsibility to complete and obtain approval of a Program of Study (including the Education Commitment Agreement) from his/her management and Human Resources *prior to enrollment in any course*. The employee is responsible for not requesting reimbursement in excess of the annual cap of $5250 and is obligated to repay any reimbursement paid in excess of that annual amount. The employee also has the responsibility to regularly review policies, guidelines, and procedures relevant to Education Assistance.

Human Resources – The human resources business partner has the responsibility to review and determine whether proposed Programs of Study and expenditures align to this procedure.

• **Procedures**

Procedure guidelines and forms are separate from the procedure and subject to change. Please refer to the hr.helpdesk.amr@nxp.com for the most up-to-date information.

• **Exceptions**

Exceptions to this procedure must be approved by the Manager, Human Resources Director, and the Business or Functional Director using the NXP Education Assistance Exception Request Form.

Version Date: 09/01/2016
Original Effective Date: 09/01/2016

PLEASE PRINT, COMPLETE, SCAN, & EMAIL TO hr.helpdesk.amr@nxp.com.

U.S. Education Assistance Program Application/Program of Study (POS) Form

NXP accepts no responsibility for your tuition payment made prior to approval of Application/Program of Study. A separate Application Form is required for each   Program of Study pursued. The approval process typically takes a minimum of ten (10) working days. Reimbursement is contingent upon an approved POS.

Date_____   Personnel #_____Name (Last, First)_____

Work Phone _____   E-mail (required)_____@ _____ Dept #_____Loc. Code/Mail Drop_____

Check Program: AS/AA   BS/BA   Graduate   Ph.D.   Certificate   Course(s)_____
                            ☐   ☐   ☐   ☐   ☐

Primary Major/Emphasis_____Code_____State:_____
Name of School:_____School Code:_____Anticipated completion date_____

To take an exam you must select the following: (Check Education Assistance Procedure for approved prep courses & exams.)
Prep Course/Exam ☐ Specify_____State _____   School or Educational Testing Service: _____

Will completion of courses result in degree? **Y**☐   **N**☐

Total # of credit hours on Program of Study_____ **X** Cost/Credit hour $ _____   = Total cost* $_____

Job Title _____   Non-exempt ☐   Exempt ☐ No. of direct reports _____

Job responsibilities (attach extra sheet if necessary) _____
_____
_____

Tax Status

1. Regardless of your intent to change functional areas at NXP, will the education you have identified on the "Primary Major/Emphasis"
qualify you to work in a functional area other than the one you are currently in?   **Y**☐   **N**☐

I certify that the above information is correct. I will notify hr.helpdesk.amr@nxp.com in writing if I am the recipient of educational benefits in the form of scholarships, assistantships, or fellowships. I have read and agree to all conditions set forth in the Education Assistance Procedure to take the above education as an active regular employee. *I understand there is an annual reimbursement cap of $5250.00; I am responsible for not claiming in excess of the annual cap; and that I must have a valid POS to apply for reimbursement. I understand that changes in my employment status, performance, and/or area of study can render this POS null and void requiring submission of a new request to assess eligibility.

Applicant Signature_____   **Date**_____ (Maintain a copy of this completed form for your own records.)

I have reviewed the above information for completeness and accuracy adhering to the Education Assistance Procedure. I acknowledge: 1) this is a NXP employee currently on an active status working 20 or more hours per week 2) the employee does not currently have any documented performance issues 3) the degree is highly relevant to the employee's success in his/her current role and future roles at NXP

Manager's Name (please print)_____**Phone**_____ **Manager's Signature**_____

HR Manager Approval (please print)_____ **Phone** _____ **HR Manager's Signature** _____

All signature blocks must be signed to validate approval of the Program of Study

U. S. EDUCATION ASSISTANCE PROCEDURE
EDUCATION COMMITMENT AGREEMENT

I wish to receive reimbursement for Covered Expenses as that term is defined in NXP's U.S. Education Assistance Procedure. My participation in this program is strictly voluntary. In consideration of the reimbursement of expenses provided to me by NXP under this program, I agree to remain employed on active status with NXP, at NXP's sole discretion, for a period of at least one (1) year after reimbursement for any qualified course. If I voluntarily resign from employment (unless my separation is part of a voluntary separation program offered by NXP), I agree to repay to NXP any expenses paid during the twelve-month period preceding separation from employment. I also waive the right to receive reimbursement for any amounts I have requested but not received at the time of my separation. I further agree and authorize NXP to withhold amounts from any final paycheck, deposit or other funds owed to me at the time of my resignation to meet any repayment obligation(s) I incur under this Agreement.

I further agree that neither my participation in the above stated program, nor the terms described in this memorandum shall constitute or be evidence of any agreement or understanding, either express or implied, on the part of NXP to employ me for any definite period of time, nor shall it alter my status as an at-will employee or the Company's rights pursuant to such at-will employment. I also understand that to receive reimbursement I must comply with the processes set forth by NXP, including all documentation requirements. My continued receipt of reimbursement benefits is contingent upon my continued eligibility. I am aware of the annual reimbursement cap of $5250.00.

I agree that I will be held responsible for abiding by the items described in the above agreement.

Applicant Name: _____   Employee ID Number: _____

Applicant Signature_____   Date: _____

*Employee: Retain original signed copy with approved POS   *Manager: Maintain a signed copy with approved POS

U.S. Education Assistance Employee Reimbursement Form

Last Name _____ First Name _____ Personnel # _____

Daytime Phone _____ Dept. # _____ Email _____

Post Course Reimbursement Request:

Program (refer to approved Program of Study)		Total Annual Reimbursement Cap per calendar year				**$5,250.00**	
		Total Reimbursements Paid to Date for this calendar year				-	$
		Reimbursement dollars remaining for calendar year				=	$
Course #	Course Title	Credit Hours*	Class Start Date mo/day/yr	Class End Date mo/day/yr	Final Grade***	Tuition	Approved Mandatory Fees**	Books	Total Course Expenses below
			/ /	/ /		$	$	$	$
			/ /	/ /		$	$	$	$
			/ /	/ /		$	$	$	$
			/ /	/ /		$	$	$	$
Subtract Financial Aid Received (Excluding Loans and GI Bill): ☐None ☐Grant ☐Scholarship/Fellowship						-	$
Total paid this request (add tuition, fees, & books minus financial aid here)						=	$
Reimbursement dollars remaining for calendar year (calculated above)							$
Total Allowable Reimbursement must be < or = Reimbursement Dollars Remaining for Calendar Year							$

☐ I understand that I must submit this sheet with detailed documentation (e.g. official receipts: report cards, book and tuition receipts) sufficient to support each item requested and that incomplete requests will be rejected for resubmission. I understand

☐ I understand that my request must be submitted within 12 weeks of course end date.

☐ I understand that my Program of Study must be valid; I am responsible to report all reimbursements paid-to-date; and I can only claim up to the allowable $5250 reimbursement cap for the calendar year regardless of total expenses paid.

☐ I understand that I must maintain all documents until program completion. I have read and understand my obligation to NXP according to the Education Assistance Policy and the Education Commitment Agreement.

* Noncredit courses such as Prep Course or Exam should be entered as 1 (one) credit hour

** Please list the dollar amount of all approved mandatory fees in this box and explain them in the Mandatory Fee Description box below.

*** Grade: A, B, C, P (Pass), Complete, TH (Thesis in progress). See EA Procedure regarding required grades for reimbursement.

If submitting more courses than space allows on this sheet, submit Total Allowable Reimbursement Dollars Available to Claim on the last sheet.

Mandatory Fee Description: Expenses claimed here must adhere to the Education Assistance Procedure. A detailed list with receipts must be included or the request will be rejected.

_____

_____

I certify that the above information is correct. I have read and agree to all conditions set forth in the Education Assistance Procedure. I understand that changes in my employment status, performance, and /or area of study can render my POS and claims for reimbursement null and void. By my confirmation, I also acknowledge that I have read and agree to the terms contained in the Education Commitment Agreement, including without limitation the obligation to repay reimbursement amounts received under this program if I voluntarily resign or I am involuntarily terminated from employment with NXP for a reason other than under an ISP or VSP. Specifically, I acknowledge my obligation to repay any amount reimbursed to me in the one (1) year period preceding my voluntary resignation or involuntary termination of employment. I also acknowledge my obligation to repay any amount reimbursed to me in excess of the annual cap of $5250.

Employee's Signature _____ **Date** _____

I have reviewed the above information for completeness and accuracy adhering to the Education Assistance Procedure. I acknowledge: 1) this is a NXP employee currently on an active status working 20 or more hours per week 2) the employee does not currently have any documented performance issues 3) the degree is highly relevant to the employee's success in his/her current role and future roles at NXP.

Manager's Name (please print) _____ **Phone** _____ **Manager's Signature** _____

PRINT, COMPLETE, SCAN & EMAIL TO hr.helpdesk.amr@nxp.com.

Last Name _____   First Name _____   Employee ID _____

Day time Phone _____   Home Email _____

Contact Info: (Current mailing address) _____

Employee Status: ☐ NXP U.S. Medical Leave   ☐ FMLA   ☐ ISP/VSP (To be eligible for reimbursement, courses must have a start date prior to inactive status and must be successfully completed.)

Program (refer to approved Program of Study)	Total Annual Reimbursement Cap per calendar year		**$5,250.00**
	Total Reimbursements Paid to Date for this calendar year	**-**	$
	Reimbursement dollars remaining for calendar year	**=**	$

Course #	Course Title	Credit Hours*	Class Start Date mo/day/yr	Class End Date mo/day/yr	Final Grade***	Tuition	Approved Mandatory Fees**	Books	Total Course Expenses below
			/ /	/ /		$	$	$	$
			/ /	/ /		$	$	$	$
			/ /	/ /		$	$	$	$
			/ /	/ /		$	$	$	$
Subtract Financial Aid Received (Excluding Loans and GI Bill): ☐None ☐Grant ☐Scholarship/Fellowship								-	$
Total paid this request (add tuition, fees, & books minus financial aid here)								=	$
Reimbursement dollars remaining for calendar year (calculated above)									$
Total Allowable Reimbursement must be < or = Reimbursement Dollars Remaining for Calendar Year									$
☐	I understand that I must submit this sheet with detailed documentation (e.g. official receipts: report cards, book and tuition receipts) sufficient to support each item requested and that incomplete requests will be rejected for resubmission. I understand								
☐	I understand that my request must be submitted within 12 weeks of course end date.								
☐	I understand that my Program of Study must be valid; I am responsible to report all reimbursements paid-to-date; and I can only claim up to the allowable $5250 reimbursement cap for the calendar year regardless of total expenses paid.								
☐	I understand that I must maintain all documents until program completion. I have read and understand my obligation to NXP according to the Education Assistance Policy and the Education Commitment Agreement.								

*   Non credit courses such as Prep Course or Exam should be entered as 1 (one) credit hour
**   Please list the dollar amount of all approved mandatory fees in this box and explain them in the Mandatory Fee Description box below.
*** Grade: A, B, C, P (Pass), Complete, TH (Thesis in progress). See EA Procedure regarding required grades for reimbursement.
    If submitting more courses than are available on this sheet, submit balance of courses in separate reimbursement, reflecting any financial aid on the final page.
Mandatory Fee Description: Expenses claimed here must adhere to the Education Assistance Procedure. A detailed list with receipts must be included or the request will be rejected.

_____

_____

I certify that the above information is correct. I have read and agree to all conditions set forth in the Education Assistance Procedure. I understand that changes in my employment status, performance, and /or area of study can render my POS and claims for reimbursement null and void. By my confirmation, I also acknowledge that I have read and agree to the terms contained in the Education Commitment Agreement, including without limitation the obligation to repay reimbursement amounts received under this program if I voluntarily resign or I am involuntarily terminated from employment with Freescale for a reason other than under an ISP or VSP. Specifically, I acknowledge my obligation to repay any amount reimbursed to me in the one (1) year period preceding my voluntary resignation or involuntary termination of employment. I also understand that I am responsible for not claiming reimbursement in excess of the annual cap.

Inactive Employee Signature _____   **Date** _____

I have reviewed the above information for completeness and accuracy. I acknowledge this is an inactive NXP employee with an approved POS who meets conditions for reimbursement according to the Education Assistance Procedure.

Manager's Name (please print) _____   **Phone** _____   **Manager's Signature** _____

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Update of Educational Information
Cover Memo

This form is used when you wish to update your higher-level education achievements in your employee record. Once submitted, your record will be updated accordingly. A copy of Education Information is not retained in the personnel file.

Employee Information

Name (please print) _____

Personnel #_____Dept #:_____

Degree Information

Type of Degree: _____
(Bachelors, Associates, Masters, PhD., etc.)

Field of Study: _____

University from which degree completed: _____

Year Degree Completed: _____

Grade Point Average_____on a_____scale

I certify that the above information is accurate.

Signed:

Employee_____Date_____

NXP Education Assistance Exception Request Form

Date: _____

1. Employee Information

Name:_____Personnel #_____
Phone (___)____-_____Email:_____Dept:_____
Manager's Name: _____Phone (_)____-_____
Reimbursement received this calendar year: $_____
(Attach previous reimbursement forms processed for payment)
Program of Study Attached*: **Yes** □ **No** □
Reimbursement Forms processed for payment this calendar year attached: **Yes** □ **No** □

> *The Education Assistance Procedure states: The employee has the responsibility to complete and obtain approval of a Program of Study (including the Education Commitment Agreement) from his/her management and HR prior to enrollment in any course.

2. Request for exception to procedure (to be completed by EE):

_____
_____
_____
_____
_____
_____
_____
_____
_____

The In Business HR (IBHR) representative reviews the Education Assistance Procedure, the employee's Program of Study, and/or request for Reimbursement to determine if an exception to procedure is appropriate. If IBHR does not support the employee's request, the appeals process ends.

2. Exception Justification: (to be completed by IBHR)

The justification for this exception is:

_____
_____
_____
_____
_____
_____
_____
_____

If the IBHR supports the request for exception and the appropriate supporting documentation is available, the IBHR obtains required approval authorizations/signatures for exception process.

> Manager Approval:
> Name:_____Date: _____
>
> Signature: _____

NXP Education Assistance Exception Request Form (continued)

Human Resources Director Approval

Name: _____

Date: _____

Signature: _____

Business/ Function Director Approval

Name: _____

Date: _____

Signature: _____

Appeals submitted to hr.helpdesk.amr@nxp.com without the Exception Request Form will be rejected back to the originator. Exception Request Forms submitted without required documentation; incomplete information/signatures; or submitted by anyone other than HRBP will be rejected to the originator. Employees retain copies of all appropriate documentation.