

# Nortek Educational Assistance Program

## *Frequently Asked Questions*

Nortek, Inc. has established the Nortek Educational Assistance Program (the "Program") to help defray the costs incurred by you for educational courses that develop or improve your job skills. The Program is available to all full-time employees. These FAQs provide a summary of the benefits available to you through the Program. If you have any additional questions, please contact the Human Resources Department.

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### **1. Who is eligible to participate in the Educational Assistance Program?**

All full-time employees of Nortek, Inc. (and any other affiliated employers of Nortek Inc. who have adopted this plan) are eligible to participate in the Program.

### **2. When does coverage under the Program begin?**

Employees are eligible to participate immediately upon hire. However, the start date of the approved course must occur after your employment start date.

### **3. When does coverage under the Program end?**

Coverage under the Program generally ends when you are terminated, unless you are terminated through no fault of your own.

### **4. What steps do I need to take before registering for courses?**

Before registering for courses, you must complete an Educational Assistance Application. The Human Resources Department will review your application and either approve or deny the course for reimbursement under the Program. If you fail to follow this pre-approval process, the Program will not reimburse your eligible expenses.

### **5. Are all educational courses eligible for reimbursement through the Program?**

No. All courses must be directly related to your current work assignment and/or increase your potential to accept another Company assignment in the foreseeable future.

If a course meets these requirements, the Program will reimburse you for certain expenses (see below) incurred for the

following courses at recognized accredited institutions, including online programs:

- Course work for an undergraduate degree, (including an associate degree) and graduate degree.

### **6. Is there a limit to how much the Program will reimburse each year?**

Yes. The Program will reimburse up to \$5,250 per employee, per calendar year.

If you do not reach the annual \$5,250, you are not permitted to roll over unused amounts into subsequent calendar years.

### **7. What amount of education expenses may be reimbursed by the Program each year?**

The Program will reimburse 100% of your registration fees and tuition expenses. The Program will reimburse 50% of the cost of your books and lab fees. The Program will not reimburse any other course-related expenses (such as travel, mileage, etc.)

### **8. Do I need to receive a certain grade?**

Yes. You must complete the course with a "C" grade, or higher. Otherwise, the Program will not reimburse you for your expenses.

### **9. What if I also receive other educational assistance (such as scholarships or grants) from another source?**

The Program does not allow you to seek reimbursement for expenses that are being paid for through other forms of assistance. For example, if you register for a course that costs \$2,000 but receive \$500 in grants from your school, the Program will reimburse you for the remaining \$1,500 only.

By submitting a request for reimbursement, you certify that you have not been reimbursed for the same expenses from other sources.

**10. How do I receive reimbursements under the Program?**

After you complete your course, you must submit evidence of your expenses to the Human Resources Department. You must also submit proof that you received a grade of "C," or higher.

The Human Resources Department will let you know within 30 days whether you have fulfilled all the requirements necessary for reimbursement of your expenses.

**11. What is the deadline for submitting requests for reimbursement?**

You must submit eligible expenses to the Human Resources Department no later than 30 days after the completion of the course.

**12. What if I terminate employment within one year of receiving a Program reimbursement?**

Nortek offers the Program as an investment in its employees' job skills. Therefore, if you

voluntarily resign within one year of receiving a Program reimbursement, you will be required to pay back the amounts you received through the Program. This rule does not apply if you are terminated by no fault of your own.

**13. Are the Program reimbursements taxable to me?**

The Program is designed to take advantage of certain favorable tax rules under the Internal Revenue Code. Therefore, Nortek intends for the reimbursements to be excluded from your taxable income. Please consult your tax advisor for more information.

**14. What happens if I terminate employment while taking an approved course?**

Terminated employees are not eligible to receive benefits under this program unless course(s) are completed prior to termination and the claim procedures listed under #10 are followed. Certain exceptions apply in the case of involuntary terminations. Please consult the Human Resources Department for more information.

**Additional Questions?**

This is just a summary of your benefits under the Educational Assistance Program. If you have any additional questions about the Program, please contact the Human Resources Department.

**Disclaimer**

Nortek reserves the right to interpret and amend the Program at any time. Nortek also reserves the right to terminate the Program at any time.