

DE MINIMIS EXPENSING POLICY

Adopted: December 31, 2013

The guidelines set forth in this policy are the Company's de minimis expensing policy, and are a necessary requirement for compliance with the Internal Revenue Code and the tangible property regulations promulgated thereunder. The guidelines are intended to be used for the Company's non-tax and tax reporting.

will not capitalize amounts meeting the following criteria:

- 1) Amounts paid to acquire, produce, or improve tangible property not exceeding are charged to the appropriate de minimis expense accounts. This threshold is applied at the per item or per invoice level and must include any allocable expenses included on the invoice, e.g. taxes, transportation, etc., or
- 2) Amounts paid to acquire, produce, or improve tangible property with an economic useful life of 12 months or less are charged to the appropriate de minimis expense accounts.

This policy does not apply to land, inventory or certain rotatable, temporary, emergency spare parts.