

Account 171100

V. Purpose

- ☐ Health & Safety
☐ Regulatory Requirement
☐ Maintain Existing Asset
☐ Replace Existing Asset
☒ Other.....

- ☒ Development of Revenue
☐ Cost Reduction Program

Asset # & Date Acquired:

8 FTN Final Testers TE83064 upgrade in Venture

27. Please provide background information, reason for request, additional description of item/project and economics of proposal.

Milford TE initiated FTN testers upgrade, including the 8 existing testers TE83064 used in Venture production. This CEA is used for this 8 testers TE83064 upgrade in 2021.

VI. Tax Information

28. Is this capital expenditure directly and exclusively related to manufacturing or R&D and to be used in a non-administrative capacity?.....

☒ Yes ☐ No

29. If 28 "Yes", will it be used for pollution control or waste removal?.....

☐ Yes ☒ No

30. If this capital expenditure is for R&D only, will it be used for quality control?.....

☐ Yes ☒ No

31. Is this capital expenditure for a repair to or enhancement of real property (i.e. building or land)?.....

☐ Yes ☒ No

32. If 31 "Yes", will there be a contractor providing labor and materials?.....

☐ Yes ☒ No

33. If 31 "Yes", is the project a lump sum contract or will materials and labor be billed separately?.....

☐ Yes ☒ No

VII. Timing of Project

Approvals (k\$)

Spending (k\$)

Current Year				Next Year	Total
Q1	Q2	Q3	Q4	Carryover	
			x		

VIII. Budget

34. What quarter was this budgeted in?

Current Year			
Q1	Q2	Q3	Q4
			x

35. Provide explanation if CEA is unbudgeted (partially or fully).

IX. Additional Approvals

36. Required Approvals up to \$1M

	Print Name	Sign Name	Date
Operational			
Financial			

37. Other Approvals, Not Required

	Print Name	Sign Name	Date
TEST ENGINEERING			

Waters Corporation
Milford Fixed Asset Capital Expenditure Form Instructions

Exhibit A

Purpose & Timing:

The Capital Expenditure Authorization Form (CEA) should be completed and approved for all purchases or withdrawals from company stock that will be classified as capital expenditures.

Timing:

This form should be completed and approved *prior* to purchasing or withdrawing from stock.

Responsibility:

It is the responsibility of the Requestor to complete this form (2 pages), obtain necessary approvals. The required Operational and Financial Approvers should review form for completeness and verify that the items requested meet the asset qualification criteria as stated in the Corporate Fixed Asset Policy. The Corporate Finance Department and Tax Department will review form to verify qualification of assets, determine taxability, assign CEA number and construction in progress general ledger account and return copy of approved CEA Form to Requestor and supporting Financial Analyst.

Capitalization Threshold

It is Waters' policy to capitalize fixed asset expenditures with a minimum cost of \$2,000 per unit and a minimum useful life of three years. Exception is made for a purchase to occur at once for a large quantity of the same or similar item that cost less than \$2,000 per unit; the minimum total purchase is \$25,000. Exception is also made for fixed asset expenditures resulting from a project that cost less than \$2,000 per unit; the minimum total project is \$25,000. See Fixed Asset Policy for examples.

Instructions :

1. Provide a brief description of the asset(s)/project.
2. Provide the name of the department responsible for the asset(s)/project.
- 3/4. Provide the cost center and company code that will absorb depreciation for the asset(s).
5. Provide the name and telephone extension of the Waters employee that is responsible for the asset(s)/project.
6. Provide the Financial Analyst name and telephone extension that supports the Requestor's department.
7. Indicate whether this is a original CEA request or an addendum to an existing CEA. If this is a supplemental CEA, provide the original CEA number. A supplemental CEA is required when spending exceeds the original approved CEA amount by \$10,000.
8. Provide city and state that the asset(s) will reside in. If the asset (i.e. laptop, tool) generally travels with a Sales or Service Technician that is not primarily located at a Waters office please provide home state as the location. If not a Waters facility provide supplier or other company name, along with full address and point of contact. This information is relevant for tax and insurance purposes.
9. Amount approved for this asset(s)/project during the annual budgeting process.
10. If this is an original CEA request, enter the total amount requested. If this is a supplemental CEA, enter the total amount requested on the original CEA.
11. If this is a Supplemental CEA, enter the incremental amount.
12. Total of 10. plus 11.
13. Total of 9. minus 12.
14. Indicate if this is a purchase from a Waters subsidiary and the Transfer Price Amount. The Transfer Price amount (not manufacturing cost) will be the amount needed on a purchase requisition to meet Purchasing Department requirements.
15. Amount of materials purchased from external vendors.

Waters Corporation
Milford Fixed Asset Capital Expenditure Form Instructions

Exhibit A

16. Amount of services purchased from external vendors.
17. Amount of consulting, contractors and/or outside labor purchased from external vendors.
18. Amount of internal labor, Waters employees only.
19. Amount of Waters stock withdrawals or intercompany purchases at manufacturing cost.
20. Total of amounts 15. through 19.
21. Provide list of major identifiable expenditures and project components, quantity and cost.
22. Provide number/quantity or unit of measure if applicable.
23. Indicate the unit cost of an item purchased from an external vendor and manufacturing cost of each item withdrawn from stock.
24. Total of 22. multiplied by 23.
25. Provide the useful life of each asset. Fixed assets should have a minimum useful life of three years. Any items that have a useful life less than three years should be expensed rather than capitalized. For projects with more than one asset please list the life of each major asset.
26. All CEA's must receive Operational and Financial approvals from within the Requestors Division. Approval requirements accommodate three divisions of Waters Corporation: Waters Division, TA Division and Corporate. Obtaining a higher level of approval within the Operational and Financial categories is allowed. Required level of approvals are printed on page one of the CEA Form and are based upon the amount budgeted and the amount requested. A CEA that is over budget by any amount should obtain approvals for an unbudgeted amount. Capital Expenditure approval requirements for stock withdrawals and intercompany purchases are based on the manufacturing cost of the capital, not the transfer price.

Please note for budgeted & unbudgeted requests up to and over \$1M the Corporate, V.P. Finance approval is an acceptable substitute for the Corporate Division President requirement.

Signature area on page one of the CEA Form is for CEA's up to \$1M. Area for additional approvals required for CEA \$1M and greater is located on bottom of page two.
- V. Indicate which category this asset and project best fits into. For requests to maintain or replace existing assets please provide asset number and date acquired.
27. Provide information to explain and support this request.
- 28-33. Please complete questions about use of asset and purchase process to assist Tax Department in determining if this asset(s)/project is taxable or exempt.
- VII. Indicate the quarter in which requested amount will be approved and purchased. Carryover indicates some amount of purchase will occur in the following year.
- 34/35. Indicate the quarter the request was budgeted in and why request differs from budgeted amount.
36. This section is for the second level of required approvals for requests over \$1M
37. This section is for optional approvals that are not required per Fixed Asset Policy.