

**CONCOTE CORPORATION
EMPLOYMENT MANUAL**



Concote Corporation
600 Freeport Parkway, Suite 150
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I. INTRODUCTION

Concote Corporation (“Concote”) has developed specific policies concerning its employees. These policies apply to all employees of Concote, its corporate subsidiaries, divisions and affiliates.

These policies are designed to create a productive, efficient and stable work environment for everyone employed at Concote. We hope that by carefully reading these policies, you will know what we expect from you and what you may expect from us.

If you have any questions or comments regarding any of the policies in this Employment Manual, please consult your supervisor, the Human Resources Department or any member of Management.

II. BACKGROUND AND HISTORY

Concote is the holding company that is registered to do business in Texas. It handles all of the corporate functions from issuing paychecks, invoicing customers, paying vendors and reporting to government agencies. It does business under its two Corporate Divisions, Spectape of Texas and Insul-Fab.

Spectape of Texas

Concote was originally formed in 1967 by Robert (“Bob”) Ricketts. It started out as a distributor of pressure sensitive tapes and adhesives mostly for the packaging and manufacturing industries. It also made labels and converted tapes. Concote was granted a right to distribute tapes for a tape converter out of Cincinnati, Ohio, named Spectape. Thus, Concote became its own regional distributor known under the trade name “Spectape of Texas,” and it distributed pressure sensitive adhesive tapes and packaging supplies. Bob Ricketts then brought in a business partner named Robert “Bob” Hanton, who is still involved in the business today.



Bob Ricketts
1937-2013



Bob Hanton
Chief Financial Officer

Insul-Fab

In 1987, Concote Corporation acquired a company located in North Texas called Insul-Fab. The name “Insul-Fab” stood for “Insulation Fabrication,” which is precisely what Insul-Fab did. Insul-Fab was, and still is, a fabricator of foam and fiberglass. Through die-cutting, water-jet cutting, slitting, adhesive laminating, and other fabrication methods, Insul-Fab fabricates or converts large rolls and sheets of raw materials into foam tapes, gaskets, electronic shields, and a number of other unique, custom parts for Original Equipment Manufacturers (“OEM”) around the world.

Today, Concote is owned by a new group which includes, among others, Bob Hanton, Shelby Ricketts, Andy Webb, John Frederiksen and Barry Taylor



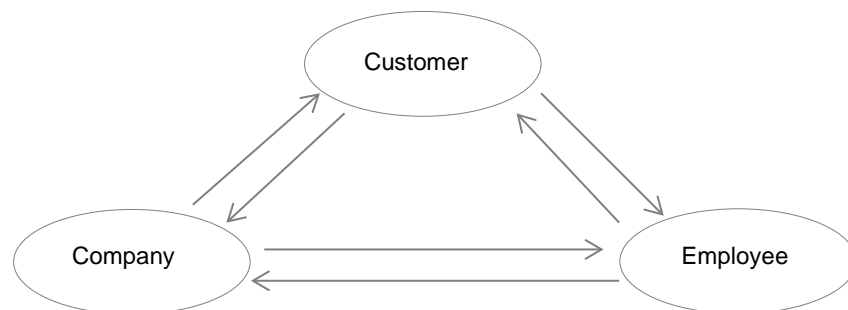
(Pictured left to right): John Frederiksen, Barry Taylor, Shelby Ricketts and Andy Webb

Concote has three facilities: (1) its corporate headquarters and plant in Coppell, Texas, (2) its East Texas Plant in Tyler, Texas and (3) its Mexico facility in Monterrey, Mexico. Between the three plants, Concote employs approximately 160 employees and maintains 250,000 square feet of manufacturing space.

Mission, Vision and Philosophy

Concote also utilizes technology, planning and quality and other industry standards in an effort to grow and be a leading global fabricator. To that end, Concote maintains three very important statements about its purpose, its vision and its commitment to quality. It is very important that every employee at Concote know and understand each of these three statements that define who we are and where we are going. These three statements are the Mission Statement (Business Purpose), (2) Vision Statement (Statement on Growth and Company Culture) and (3) Quality Policy (ISO, AS 9100).

- A. **Mission Statement (Business Purpose): To be a cutting edge, global fabricator and distributor of products made from foam, insulation materials, plastics and adhesives.**
1. “Cutting Edge” – Concote strives to possess the latest technology, innovations, software, engineering capabilities, standards and programs. This requires capital investment, training, industry association affiliation, certifications and other activities to stay at the forefront of fabrication as well as a commitment at all levels of the organization
 2. “Global” – Concote seeks to supply a worldwide chain of commerce which requires representation, logistical support and understanding of requirements of international trade and commerce
- B. **Vision Statement (Statement on Company Growth and Culture): To grow profitably and sustainably to enhance the prosperity of the Customer, the Company and its Employees.**
1. Customer
 - a. Quality – ISO 9002, AS 9100, Best Practices
 - b. Service – Responsiveness, courtesy, and professionalism
 - c. Price – Competitive with the marketplace and appropriate for the value received
 - d. Competency – experience, communication, and understanding of customer values, customer requirements, products, materials and solutions
 2. Company
 - a. Profitability - Net Profit contributed to Concote Corporation
 - b. Enhancement of Equity – Reinvestment and good financial stewardship
 - c. Growth – controlled growth of sales and diversity in Customer base and product offering
 - d. Professionalism
 3. Employee
 - a. Safety and security – personal safety and security of the Employee and her property
 - b. Financial Peace of Mind – competitive pay and benefits with the opportunity for personal growth
 - c. Respect – communication, collaboration and teamwork
 - d. Enjoyment – having a positive, supportive and fun work environment



- C. Quality Policy (ISO, AS 9100): Achieving Customer Satisfaction by Meeting or Exceeding Customer Expectations and Continually Improving Business Practices.
1. On-Time Delivery
 2. Customer Acceptance (No or minimal rejects)
 3. Customer Satisfaction

III. ATTENDANCE POLICY

- A. General Attendance Policy. Concote requires that all of its employees attend work each and every day pursuant to the work schedule furnished by his or her supervisor or manager. Each employee shall arrive at work on time and shall not leave before the end of his or her shift, unless the employee obtains the approval of his or her supervisor.
- a. If an employee cannot attend work, it is the employee's responsibility to make sure that it is based upon one of the four (4) exceptions to the General Attendance Policy, which are as follows (see also "B", below, for more detail):
 - i. Holidays/Business Closure (i.e. weather)
 - ii. Vacation
 - iii. Personal Time Off (PTO)
 - iv. Leave of Absence: (Death of immediate family member, jury, military, maternity, Family Medical Leave Act, or :other")
 - b. No "Sick" Days – there are no "sick" days available:
 - i. PTO may be used for illness of employee, child, etc.
 - ii. In the event that the employee is ill, seeks medical treatment and is medically authorized not to come to work, Concote may, in its discretion, not debit the employee's PTO/Vacation days and still pay the employee and deem the absence excused. This will not apply to pre-scheduled doctor's appointments.
 - c. Notification Process
 - i. The notification process may differ slightly for employees paid by the week (hourly employees) and employees paid semi-monthly (salaried employees). The main reason for this is due to how time is recorded and transmitted to the HR Department and how it is entered into the payroll system.
 - ii. Notification procedures are outlined below in paragraph "B" and also noted in the form of a Flow Chart/Decision Tree below.
 - d. Effect of Violation of Attendance Policy
 - i. Excused/Unexcused Absences – unexcused absences may affect the employees compensation, may result in a warning or termination
 - ii. Paid/Unpaid – failure to follow procedures may result in employee not being paid for the absence
 - iii. Termination – failure to follow procedures shall be deemed a violation of the company's attendance policy resulting in termination

B. Exceptions to the General Attendance Policy. There are four (4) categories of exceptions to the Attendance Policy: (1) Holidays, (2) Vacation (3) Personal Time Off (PTO) and (4) Leaves of Absence.

1. Holidays/Business Closure:

- a. Holidays: In order to qualify for holiday pay, the employee must have been employed by Concote for at least thirty (30) business days and not be absent for an unexcused absence the business day immediately preceding or following the holiday.
- b. Refer to section XXI
- c. Business Closure: Announcement shall be made via company website, www.concote.com

2. Vacation.

a. Amount.

<u>Calendar Year</u>	<u>Amount of Vacation</u>
First Partial Year	See "Accrual", below
Calendar Year 1	See "Accrual", below
Calendar year 2 through 10	2 weeks (80 hours)
Calendar year 10 +	3 weeks (120 Hours)

A "Calendar Year" is January 1 through December 31. Calendar Year 1 is the first full Calendar Year worked by the employee.

- b. Accrual. Each full-time employee that has not reached Calendar Year 2 shall accrue vacation weekly in accordance with the vacation schedule above.

<u>Calendar Year</u>	<u>Amount of Vacation</u>
First Partial Year	.77 hours/week
Calendar Year 1	.77 hours/week

Employees shall not be permitted to be paid for unused vacation or until it is accrued through at least half of the year.

- c. Payout on unused vacation. For Full-time employees that have worked Calendar Years 2-10 and are entitled to 2 weeks vacation, 1 week of vacation shall accrue as of January 1 and the remaining week shall accrue as of July 1. Therefore, by way of example, an employee that terminates employment on March 1 is entitled to be paid up to 1 week on unused vacation. An employee that terminates on September 1 is entitled to up to 2 weeks of unused vacation.
- d. Scheduling. All requests for vacation shall be submitted to the employee's supervisor, who shall have the sole discretion to approve or disapprove of the scheduling of the vacation.

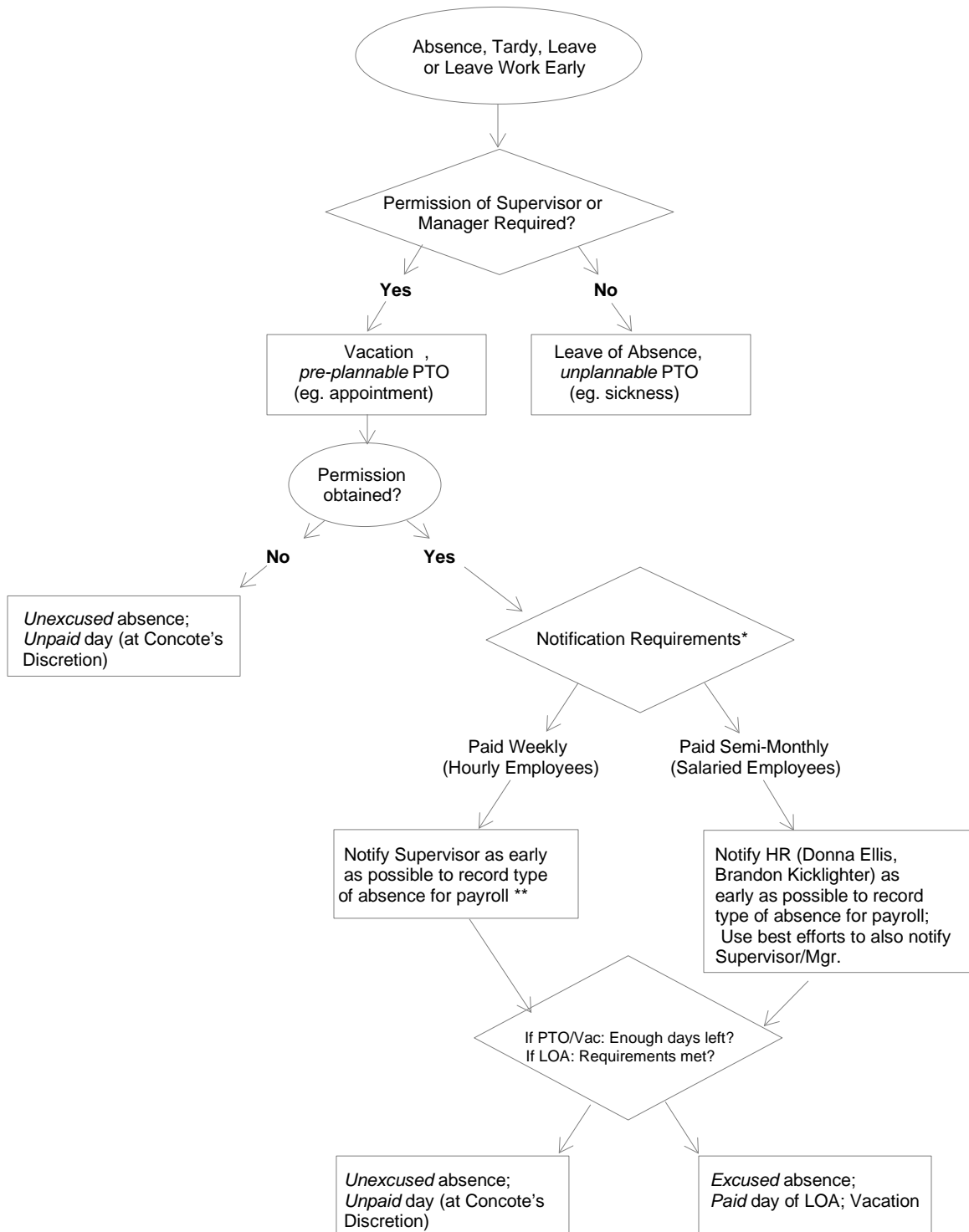
3. Personal Time Off (PTO). During the first full Calendar Year and each subsequent year, all employees will be eligible for three (3) paid Personal Time Off (PTO) days, which may be taken in no less than half-day increments. PTO days do not carry over into subsequent years, nor do they qualify for overtime.
 - a. Use. Personal time does not need written justification for its use but is intended for absences such as (i) employee illness or illness of a family member (including children, that requires employee's care), (ii) appointments, home service calls or early school release, (iii) death of a non-immediate family member. If an employee uses a day of PTO due to illness, then goes to his or her doctor and receives a diagnosis and doctor's statement stating that the employee must miss work, Concote may, in its sole discretion, not require the use of PTO by the employee.
 - b. Notification and Scheduling. Regardless of the type of day off taken (PTO, Vacation or other), a *salaried* employee must directly notify Human Resources (Donna Ellis, Misty Jacobs) and Accounting (Brandon Kicklighter) of the employee's intention to take either a PTO or a Vacation day. If advance notice of the use of PTO/Vacation is possible, it is expected that the employee clear it with his or her supervisor in advance; if not, then the employee should first and foremost let Human Resources and Accounting know and they will notify the supervisor. An *hourly* employee must directly notify his or her supervisor in advance of the employee's intention to take either a PTO or a Vacation day.
 - a. Email Notification. Email notification is preferable where practical. If email is used, the employee must directly notify Human Resources (Donna Ellis, Misty Jacobs) and Accounting (Brandon Kicklighter) carbon copy ("cc") his or her supervisor as well.
4. Leaves of Absence. Concote shall grant a leave of absence to an employee for the following reasons:
 - a. Death of an immediate family member. Concote shall grant the employee leave for three (3) days, with pay, for the death of a spouse, parent, grandparent, child or sibling of an employee. Additional leave for the death of an immediate family member will be considered by Concote on a case-by-case basis.
 - b. Jury Duty. In order to qualify for paid leave for this reason, the employee must (i) show the jury summons to his or her supervisor and (ii) check in with his or her supervisor on a daily basis, before his or her shift, to inform the supervisor

of the trial scheduling (unless the employee and supervisor agree to less frequent updates).

- c. Military Leave. Any employee called to active duty with a branch of the United States Armed Forces is entitled to a leave of absence during the term of such active duty without pay.
- d. Maternity Leave. Concote shall grant up to six (6) weeks to a mother for the birth of a child, including four (4) weeks of leave with pay and two (2) weeks of leave without pay. In order to qualify for this leave, the employee must have been with Concote for ten (10) consecutive months.
- e. Medical Leave. The Family Medical Leave Act (“FMLA”) is a federal law that provides for particular types of medical leave for employees who have been with Concote for more than one (1) year. An employee with more than twelve (12) months of continuous service and at least 1250 hours of service during the previous twelve (12) month period may take up to twelve (12) weeks of unpaid leave per year to care for themselves, if they are ill, to care for a seriously ill family member or for the birth, adoption, or foster care placement of a child. Concote’s own policies for leaves of absence shall be applied toward the twelve (12) weeks provided under the FMLA.
 - (i) A leave of absence under the FMLA may be taken for the following purposes:
 - (a) The birth of a child;
 - (b) The adoption or foster care placement of a child;
 - (c) to care for a child with a serious health condition;
 - (d) to care for a parent or spouse with a serious health condition;
 - (e) for the employee’s serious health condition which renders the employee unable to perform the functions of his or her position;
 - (f) “Any qualifying exigency” arising out of the fact that the spouse, son, daughter or parent of the employee is on active duty or has been called to active duty status. An eligible employee who is the spouse, son, daughter, parent or next of kin of a covered service member who is recovering from a serious illness or injury sustained in the line of duty on active duty is entitled to up to 26 months of leave in a single 12 month period to care for the service member.

- (ii) In cases involving leave for a serious health condition, Concote may require that the employee provide medical certification and may require that the employee obtain a second medical opinion at Concote's expense.
 - (iii) Employees may be required to use any unused personal leave or vacation time before they are entitled to leave under this section. **An employee planning to take leave under this section for the birth, adoption, foster care placement of a child must notify Concote (through his or her supervisor) of his or her intentions at least thirty (30) days in advance or as soon as practical.** An employee requesting leave for planned, scheduled medical treatment must attempt to schedule that treatment so as to minimize interruption in his or her employment. If an employee fails to return to work immediately after an approved leave, Concote will consider this as a resignation by the employee without notice.
- f. Other Leave. Concote will consider an individual's request for a leave of absence based upon grounds other than those listed above on a case-by-case basis. In reviewing such requests, Concote may take into consideration the individual circumstances of the request, the necessity of the employee's continuous service and any other circumstance forming the basis for the request.

C. Absence, Tardy, Leave Work Early Flow Chart / Decision Tree:



* Requirements differ for type of employee due to payroll system
 ** If prior permission obtained, no need for this notification

IV. DRUG AND ALCOHOL POLICY

Drugs and alcohol in the workplace are a danger to us all. They impair safety and health, lower productivity and quality and undermine public confidence in the work we do. Every location at which Concote conducts business is declared to be a drug and alcohol-free environment. **Any employee failing to strictly adhere to Concote's drug and alcohol policy is subject to discipline, up to and including termination, for the first offense.**

- A. Drug Policy. All employees are absolutely prohibited from unlawfully manufacturing, distributing, possessing, using or being under the influence of drugs in or outside of the workplace. The term "drug" includes prescription drugs, as well as all other controlled substances, drugs or narcotics which are considered unlawful to manufacture, distribute, dispense, possess or use pursuant to any federal, state or local law. Prescription drugs, when taken as directed by the employee's doctor, are excluded, although anyone using prescription drugs that may impair judgment or performance should notify a supervisor. The following is a partial list of controlled substances that are included in the definition of "drugs":
1. Narcotics (heroin, morphine, etc.); Cannabis (marijuana, hashish); stimulants (cocaine, diet pills, etc.); depressants (tranquilizers); hallucinogens (PCP, LSD, "designer drugs", etc.).
- B. Alcohol Policy. Being under the influence of alcohol during work hours is absolutely prohibited. Consumption of alcohol on company premises at any time (during or outside of work hours) is strictly prohibited. Being at work at anytime under the impairment of alcohol is also strictly prohibited (for instance, drinking in the hours before coming to work in a fashion that would impair the employee at work). Exceptions to this rule may be the use of alcohol at company-sponsored functions. However, an employee who chooses to drink at such functions is expected to do so responsibly.
- C. Drug Testing Policy. Concote has initiated a substance abuse screening test program for applicants and employees to assist in the implementation of its anti-drug policy. This program will be a condition of employment and will be a routine part of the application process and the employment process after hire. Applicants must consent to drug testing as a condition of their employment. Refusal to participate in the program will be grounds for termination for employees or grounds for denial of employment for applicants.
- D. Testing Procedures. Concote reserves the right to rely on urine samples, blood samples, hair samples, breath samples or any other generally-accepted methods for the detection of drugs or alcohol. All random testing will be conducted by a laboratory or medical center designated by Concote. Any employee who is asked to submit to a blood test can refuse. However, a refusal to provide any requested urine, blood, hair or breath specimen

will constitute a presumption of violation of Concote's anti-drug policy and the employee shall be subject to disciplinary action, up to and including, immediate termination. In the case of a "positive" test result, the testing lab will inform Concote's management, which will in turn inform the employee. A copy of the test results will be made available to the employee upon request, and Concote shall be entitled to keep a copy of the test results on file. Each employee, by signing this Policy Manual, gives the following release:

- E. Release. By signing the Policy Summary, each employee shall agree to the following release:

"I hereby acknowledge that I have read Concote's Drug and Alcohol Policy and understand that a drug screening test will be administered by a doctor, medical center, hospital or medically qualified personnel selected by Concote, for the purposes of performing and administering such test. I consent to the taking of specimens for drug screening, hereby waive any claims of invasion of privacy or rights of privacy with respect to such test and authorize the release of the result of such test or tests to Concote. I understand that the results of the drug screening test will be considered in the employment decision to hire me and that a result indicating the use of illegal drugs or the misuse of legal drugs may result in Concote's not hiring or employing me, and that Concote may terminate my employment if I am hired and subsequently fail a drug screening test.

I also consent, without further notice, to future drug screening tests during my employment as Concote may deem necessary, according to Concote's policy and procedures for drug screening, including urinalysis and blood testing on the same terms and conditions set forth above. I understand that the result of such future tests, or the refusal to participate in them, may be cause for the termination of my employment with Concote. I hereby release Concote, its shareholders, directors, officers, employees and agents, including any doctor, hospital or medical personnel from any and all liability arising from the administration of a drug screening test and from the release or use of any information contained in my medical exam and test results."

V. BACKGROUND CHECKS

- A. Conducting Background Checks. Concote may perform criminal background checks, obtain references from previous employers or other forms of background checks as a condition of your employment. In the event such background or reference check reveals an arrest or conviction of any criminal offense of any kind, in any jurisdiction, any act of employee theft, dishonesty or malfeasance, Concote reserves the right not to hire the Employee. Should an employee be hired and a background check reveal the subsequent commission of any criminal offense of any kind, in any jurisdiction, Concote reserves the right to terminate the Employee's Service.

- B. Release. By signing the Policy Summary, each employee shall agree to the following release:

"I hereby acknowledge that I have read Concote's Background Check Policy and understand that a background check may be performed on me at any time. I consent to the performance of a background check and hereby waive any claims of invasion of privacy or rights of privacy with respect to such background check and expressly authorize such a check prior to or during my employment. I understand that the results of the background check will be considered in the employment decision to hire me and that Concote may terminate my employment if I am hired and a subsequent background check reveals the existence of an arrest or conviction of any criminal offense of any kind, in any jurisdiction, any act of employee theft, dishonesty or malfeasance."

VI. ANTI-HARASSMENT

- A. Anti Harassment Policy. Concote prohibits any and all forms of harassing behavior in the workplace and/or at Company-sponsored functions. This policy applies with equal force to supervisory and non-supervisory employees. Concote will appropriately discipline, up to and including termination, any person who violates this policy.
- B. What is Sexual Harassment? The Equal Employment Opportunity Commission (EEOC) defines sexual harassment in the following manner:
1. Unwelcome sexual advances, requests for sexual favors and other physical, verbal or visual conduct based on sex constitute sexual harassment when (1) submission to the conduct is an explicit or implicit term or condition of employment, (2) submission to or rejection of the conduct is used as a basis for an employment decision, or (3) the conduct has the purpose or effect of unreasonably interfering with an individual's work performance or creating an intimidating, hostile or offensive working environment.
 2. Some examples of conduct prohibited by Concote's policy are:
 - Sexual, ethnic, racial or religious jokes or teasing
 - Verbal innuendoes, comments or offensive language
 - Having pornographic material at work
 - Unwelcome sexual advances, flirtations or proposals
 - Requests for sexual acts or favors
 - Physical or sexual threats or intimidation of any sort
 - Other verbal, visual or physical conduct of a harassing or offensive nature
- C. Reporting. In many instances, harassment evolves when action that are unprofessional or otherwise inappropriate for the workplace, but do not really rise to the level that would meet the EEOC's definition of harassment, are allowed to continue unchecked. For example, an isolated sexual or ethnic joke, or an isolated instance of unwelcome flirting or teasing, while offensive and certainly

inappropriate and unprofessional, would not likely amount to harassment under the EEOC's definition. Often, the person engaging in such conduct is more insensitive than malicious. That is why Concote wants to provide its employees with the means to report or otherwise stop such inappropriate conduct in its tracks, limit its effects and reduce the chances that it will become more serious. Concote will support all reasonable efforts by an employee to discuss and work out problems of this sort peacefully directly with the offending party. If you do not feel comfortable attempting to work it out directly with the person, or if you make such an effort unsuccessfully, please report the conduct promptly by using the Harassment Grievance Procedure described in this Policy Manual. Please do not hesitate to report conduct because of fear that you will "get someone in trouble." Most complaints do not result in anyone "getting in trouble" but instead result in the person being educated about the offensiveness of his or her conduct. The point is that unprofessional, offensive, inappropriate conduct, if not dealt with, may become worse over time. Please help us and your co-employees by using the means that we provide to deal with it and eliminate it as early as possible. Concote is aware that it is always possible that an employee could engage in conduct more serious and immediately threatening than an occasional insensitive or unprofessional remark. Some examples could be inappropriate touching, malicious or derogatory racial terms, use of authority to attempt to coerce sexual favors or continued, less serious, inappropriate conduct after having been warned about it. Concote wants to be certain that its employees also have the means to report such conduct so that it can investigate it. Where a complaint involves a claim of serious misconduct and would require a serious discipline, Concote will conduct a fair and thorough investigation and will take any disciplinary or corrective action that it deems appropriate based on its findings. However, we cannot investigate conduct if we are not aware of it. So, please report any such conduct immediately by using the Harassment Grievance Procedure described in this Policy Manual.

D. Harassment Grievance Procedure. Concote's Policy is to investigate promptly all complaints of discrimination, harassment, or other offensive conduct that is based on sex, race, age, disability, religion, color, national origin or other factors prohibited by law. Any employee who feels that he or she has experienced, witnessed or been accused of such conduct should report the incident immediately to one or more of the following personnel:

1. The employee's supervisor;
2. Donna Ellis;
3. Bob Hanton; or
4. Shelby Ricketts

Alternatively, harassment or discrimination claims may be made in writing to the Dallas office by sending a certified letter marked "Personal and Confidential" to the following address:

Concote Corporation
600 Freeport Parkway, Suite 150
Attn: President

When reporting the incident, whether verbally or in writing, the following items should be included:

1. Date, time and location;
2. Circumstances;
3. Offending act;
4. Name of the charging party;
5. Name of the offending party;
6. Names of any witnesses.

Concote will not tolerate any sort of retaliation against an employee who files a complaint. All persons involved in the complaint or investigation must maintain strict confidentiality to the extent reasonably practical under the circumstances.

An employee who is found after appropriate investigation to have engaged in discrimination, harassment or other inappropriate conduct referred to Concote's Anti-Harassment Policy will be subject to appropriate disciplinary actions, up to and including termination.

VII. DISCIPLINARY POLICY

A. The following conduct is deemed prohibited and may result in disciplinary action up to and including immediate termination:

1. Violation of any of the policies set forth in this Policy Manual
2. Falsification of Company records including Application for Employment
3. Insubordination or disobedience to any member of management
4. Assaulting, intimidating or threatening any member of management or other employee of Concote
5. Abusive or unreasonable conduct towards any customer, vendor, contractor or agent of Concote
6. Commission of a felony
7. Disclosure of confidential information about Concote without the express written consent of Concote
8. Careless or ineffective performance of duties
9. Violation of posted safety rules
10. Leaving assigned work area or areas without permission
11. Failure to follow orders of supervisors or management
12. Failure to perform work schedules
13. Malicious gossip or attacks on Concote or its employees
14. Excessive personal use of the telephone or internet
15. Weapons: Carrying weapons on any company premises (even though Texas has its own Open Carry Laws, as an employee, you are bound by this *employment* policy)
16. Carrying narcotics on the property
17. Theft of any kind

The above list is a non-exhaustive list and is not intended to constitute a list of "good cause" reasons for termination. All employees are considered to be employees at-will in accordance with Section VII, below.

VIII. EMPLOYMENT AT WILL POLICY

Texas is an at-will employment state. Employees of Concote are considered to be employees at will. This means that employment may be terminated by either the employer or employee at will. No employee shall be employed for any specific term and may be terminated, demoted or transferred to another part of the company at any time for any reason, with or without cause and with or without notice, unless the employee has a written employment contract signed by an officer of Concote. Nothing in this Policy Manual is intended to create a contract of employment or to alter the at-will status of an employee's employment. The Policy Manual may be withdrawn or amended at any time in Concote's discretion. ***Employees may not rely on any practice, conduct or verbal representation to the contrary.***

IX. EMPLOYEE PAY POLICY

A. Reviews/Raises.

1. Hourly Employees. Hourly Employees shall be entitled to a review, with a possibility of pay increase, at least once per year. Generally, after being hired, the employee shall be eligible for the next-occurring review period, unless the review period falls within two (2) months of when the employee goes onto the Concote payroll.
2. Salaried Employees. Salaried employees shall be entitled to a review, with a possibility of pay increase, at least once per year, unless the employee and supervisor agree to another arrangement.

B. Overtime Pay. Concote desires to comply with all aspects of the Fair Labor Standards Act ("FSLA") concerning wage payments. For "non-exempt" employees under FSLA, Concote shall pay time-and-a-half of the employee's regular pay for each hour worked over and above forty (40) hours per week. For "exempt" employees, Concote generally does not pay overtime, but will use a standard of reasonableness in determining whether an exempt employee is entitled to overtime pay for work in excess of his or her standard work hours. Overtime hours shall be approved by the employees supervisor.

Generally, whether an employee is "non-exempt" or "exempt" depends upon (1) whether the employee is paid a salary (as opposed to hourly) and (2) whether the employee's actual job duties and responsibilities fall within one of the FSAL's recognized exemptions (eg. executive, administrative, professional, outside sales, computer professional, etc.). Some element of the employees right to direct his or her employment is also usually considered.

X. TRANSFER POLICY

Any employee may be asked to transfer to any other job within Concote at any other time. If the transfer involves a relocation for the employee, Concote shall pay for the employee's reasonable moving expenses only.

XI. GROUP INSURANCE POLICY

Employees should receive information on enrolling in Group Health Insurance and other group benefits prior to eligibility. If not, the employee should contact Concote's Human Resources Manager for further information. It is the **employee's responsibility** to ensure that he or she is enrolled in any benefits offered by Concote and makes any necessary changes to his or her enrollment based upon family changes.

Concote's Health Plan includes Short Term Disability Insurance. Payments will be generated with regular payroll checks. Benefits begin 8th day after accident or sickness for a maximum of 12 weeks. Payments are 60% of weekly salary for a maximum of \$200 per week.

XII. TERMINATION OF EMPLOYMENT POLICY

Employees hereby agree that they must turn in all property of Concote (eg. keys, files, lists, safety equipment) on the day of their termination.

XIII. AMERICANS WITH DISABILITIES ACT (ADA) POLICY

The Americans With Disabilities Act ("ADA") prohibits discrimination against physically or mentally disabled persons because of their disability in various areas, including employment. The prohibition applies to job application procedures, hiring, advancement, discharge, compensation, training and/or the terms, conditions and privileges of employment. The ADA applies to Concote and, therefore, Concote has adopted this policy to ensure that persons employed by, and seeking employment with, Concote are treated fairly and given opportunities equal to those opportunities afforded to others working or seeking to work for Concote.

The ADA requires that Concote not limit, segregate or classify a job applicant or employee in a way that adversely affects such person's opportunities or status because of a disability; be flexible in the job application process and offer assistance to persons with a disability so that they may participate in such process; hold interviews and tests in accessible locations; provide reasonable accommodation so that an individual with a disability can perform the essential functions of his or her job; and engage in other actions that will facilitate participation by persons with disabilities in the life of Concote. Concote is committed to complying with the requirements of the ADA and encourages all employees to help achieve this objective. If any applicant or employee has any questions concerning this policy or the application of the ADA to such persons, or if you believe that you or someone else has been discriminated against on the basis of disability, or if you have any questions, comments or suggestions related to the ADA, please contact the Human Resources Department.

The ADA does not require that Concote give preferential treatment to individuals with disabilities or lessen its qualification standards. The ADA does not require that we consider reasonable modifications and accommodations in respect to how qualified individuals with disabilities perform the essential functions of their jobs. If any applicant or employee believes that an accommodation is required because of a disability to enable such person to participate in the job application process or perform the essential functions of his or her job, you are encouraged to contact the Human Resources Department, in writing and in person, if you would like to discuss the need for such accommodation and the type of accommodation that may be available.

XIV. EQUAL EMPLOYMENT POLICY

It is Concote's policy to make all employment-related decisions on the basis of merit, qualification and competence. This policy will be applied without regard to any individual's sex, age, color, race, religion, national origin, disability or veteran status. It will be the responsibility of all employees to abide by and carry out the letter, spirit and intent of Concote's equal employment commitment.

XV. WORKERS' COMPENSATION/INJURY POLICY

- A. Concote is a non-subscriber to the Texas Workers' Compensation system, but it has insurance coverage to protect its employees in the event of an on-the-job-injury.
- B. In the event of an injury, each employee is responsible for complying with the following requirements. Failure to strictly adhere to these requirements may be grounds for disciplinary action, up to and including termination:
 - 1. Reporting. Immediately upon injury, the employee shall report the injury to his or her supervisor or plant manager. The employee and supervisor shall assess the severity of the injury and determine the need for medical treatment.
 - 2. Treatment. If medical treatment is required, the employee shall seek treatment with Concote's selected physician. The employee is required to undergo a drug screening in connection with his or her treatment. Refusal to submit to such a drug screening will result in immediate dismissal, without exception. The employee must attend all follow up treatments.
 - 3. Post-Treatment. After treatment, the employee shall immediately return to work, without delay, to discuss the circumstances of the injury with the plant manager and/or a member of Concote's management. Even if ordered to return home, the employee must follow this procedure or risk dismissal. The only exception shall be where the employee is hospitalized or otherwise not released from medical treatment
 - 4. Release. The employee must complete all follow up treatments, rehabilitation or other doctor-prescribed obligations and consistently and diligently pursue a written release to return to work.

The employee must have a written doctor's release in order to return to work.

- C. Concote reserves the right to send you to a doctor of its choice. Should an employee desire a second opinion, such opinion shall be at the employee's expense. Any doctor's statement must include a statement concerning the nature and extent of the injury, a statement regarding whether the employee may perform any duties (including light duty) and an estimate of the time required for the employee to return to their originally assigned duties, or, at a minimum, the date and time of the next doctor's appointment. It is the employee's responsibility to ensure that the doctor provides all of this information on any doctor's statement.

XVI. NO SMOKING POLICY

Concote has a policy of no smoking in areas other than those specifically designated by Concote. No smoking is allowed in any enclosed air-conditioned area.

XVII. INTERNET POLICY

Use of the Internet and Email by Employees during company time is permitted where such use supports the goals and objectives of the business. Employees are expected to use the Internet and Email responsibly and productively for job-related activities. However, access to the Internet through Concote is a privilege and all employees must adhere to the policies concerning Computer, Email and Internet usage.

General guidelines and policies:

- Internet may be used as needed for job-related activities include research and educational tasks that may be found via the Internet that would help in an employee's role or responsibilities.
- Employees may have access for reasonable personal use, off hours (ie. lunch breaks, after hours), but personal use during working hours should not exceed one (1) hour each day.
- All Internet data that is composed, transmitted and/or received by Concote's computer systems is considered to belong to Concote and is recognized as part of its official data. It is therefore subject to disclosure for legal reasons or to other appropriate third parties.
- The equipment, services and technology used to access the Internet are the property of Concote and the company reserves the right to monitor Internet traffic and monitor and access data that is composed, sent or received through its online connections, including remote connections such as through a terminal server or other web services.

- Emails sent via the company email system should not contain content that is deemed to be offensive. This includes, though is not restricted to, the use of vulgar or harassing language/images.
- Use of the “All-Concote”, “All-Insul-Fab” and “All-Spectape” mail addresses shall be for legitimate business purposes only. Any traffic related to warning of potential viruses, scams, recalls or other non-business related emails must be cleared with Human Resources or IT before using these addresses.
- All sites and downloads may be monitored and/or blocked by Concote if they are deemed to be harmful and/or not productive to business.
- The installation or downloading of software such as instant messaging technology is strictly prohibited, except as permitted by Concote’s IT Department.

Unacceptable use of the Internet by employees includes, but is not limited to:

- Access to sites that contain obscene, hateful, pornographic, unlawful, violent or otherwise illegal material.
- Excessive personal use of the Internet (personal use which violates the reasonable personal use guideline (above)).
- Sending or posting discriminatory, harassing, or threatening messages or images on the Internet or via Concote’s email service.
- Using computers to perpetrate any form of fraud, and/or software, film or music piracy.
- Stealing, using, or disclosing someone else's password without authorization.
- Downloading, copying or pirating software and electronic files that are copyrighted or without authorization.
- Sharing confidential material, trade secrets, or proprietary information outside of the organization.
- Hacking into unauthorized websites.
- Sending or posting information that is defamatory to the company, its products/services, colleagues and/or customers.
- Continuous streaming of music or video (this does not include brief streaming of video or music, rather streaming content as a substitute for radio or television which consumes large portions of bandwidth).
- Introducing malicious software onto the company network and/or jeopardizing the security of the organization's electronic communications systems.

- Sending or posting chain letters, solicitations, or advertisements not related to business purposes or activities.
- Passing off personal views as representing those of the organization.

XVIII. TIME CARD POLICY AND BADGES

With the exception of personnel paid on a semi-monthly basis, all employees are required to use time clocks to record their actual on-the-job work hours. Employees must clock in at the beginning of their shift and clock out at the end of their shift. Employees shall not clock in other employees other than themselves. If an employee fails to properly clock in and clock out or lets other employees clock in or clock out for him or her, the employee may be docked for that day's pay.

Employee badges must be worn and displayed at all times. If lost or stolen, they should be reported immediately to the Human Resources Manager. Replacement may take 2 to 3 days.

XIX. NEW EMPLOYEE HAZARD COMMUNICATION INFORMATION

Pursuant to OSHA Regulation 29 CFR, Sec. 1910.1200, Sections (h) (i), the following information is required for employees that are initially assigned. Concote Corporation does not knowingly expose employees to hazardous chemicals and per our Safety Manual and Hazardous Communication Program we advise employees of the existing hazards:

- All chemicals used by Concote Corporation are approved by the Safety Manager before introduction into production.
- Safety Data Sheets (SDS's) are on file in the Safety Managers office and are available to all employees. These SDS's describe the name of the chemical, known hazards, safety precautions, etc.
- No employee will introduce chemicals into the work environment without prior approval by the Safety Manager.
- The Hazardous Substances List contains all of the chemicals that are currently being utilized at Concote Corporation and is available via the Safety Manager.
- The Hazardous Analysis Worksheet defines the physical hazards for each department and is available via the Safety Manager.

By signing this Employee Policy Manual, I understand the above information concerning the Hazardous Chemical Awareness Program by Concote Corporation.

Por OSHA Regulacion 29 CFR, Sec. 1910.1200, secciones (h) (i), se requiere dar la siguiente informacion a los empleados que se asigna inicialmente. Concote Corporacion no expone a los empleados a quimicos arriesgados. Nuestro manual de Seguridad y el programa de Comunicacion arriesgada aconseja a los empleados sobre los riesgos que existe.

- Todo químico usado por Concote Corporacion es aprobado por el gerente de Seguridad antes de introducirlo a la producción.
- Hojas de los datos de la Seguridad (SDS's) estan en la oficina de los gerentes de Seguridad y esta disponible para todos los empleados, estas hojas describen el nombre del químico, riesgos, precauciones de seguridad, etc.
- Ningún empleado introduzca químicos en el ambiente de trabajo sin la aprobación de el gerente de Seguridad.
- La lista de substancias peligrosas contiene todos los químicos que se estan utilizando en Concote Corporacion y esta disponible via el gerente de Seguridad.
- La hoja de analysis de peligros define los riesgos fisicos de cada seccion y esta disponible via el gerente de Seguridad.

Entiendo la informacion acerca de Programa de quimicos peligrosos por Concote Corporacion.

XX. ARBITRATION POLICY

Any dispute that may arise concerning any term or condition of employment or concerning the termination of employment, including claims for breach of contract, discrimination or harassment and public policy violations will be exclusively subject to final and binding arbitration. Nothing herein bars the administrative handling of a claim by the Texas Department of Human Services, the Texas Employment Commission, the Equal Employment Opportunity Commission or other governmental or administrative agency. No dispute is subject to trial by jury or court. In the event that parties are unable to agree on the selection of an arbitrator, either party may apply to the court of designation and appointment of an arbitrator, pursuant to the provisions of the United States Arbitration Statute, 9 U.S.C. § 5.

XXI. CONDITION OF EMPLOYMENT

Concote's agreement to employment in the future is contingent upon your agreement to provide your services subject to Concote's policies on employment-at-will and arbitration of disputes. If you are not willing to agree to these conditions, you must not sign for receipt of this Policy Manual, and you must notify management of your unwillingness to accept employment-at-will and arbitration of disputes as conditions of your employment.

XXII. HOLIDAY SCHEDULE 2022

2022 Concote Holidays

Good Friday.....	Friday, April 15
Memorial Day.....	Monday, May 30
Independence Day.....	Monday, July 4
Labor Day.....	Monday, September 5
Thanksgiving Day.....	Thursday, November 24
Thanksgiving.....	Friday, November 25
Christmas	Friday, December 23
Christmas.....	Monday, December 26

XXIII. 401(K) RETIREMENT PLAN

Concote maintains a 401(k) plan for the benefit of its employees. We encourage you to participate in this valuable retirement benefit. Employees are eligible once they have completed **one year of service** from the date that they began being carried on payroll. At that time, you should be notified regarding your eligibility and given an introduction to the 401(k) Retirement Plan.

XXIV. MISCELLANEOUS

- A. Employee Photos/Images. Employee hereby agrees to let Concote use his or her picture or likeness for company related documents, such as brochures, newsletters, websites, directories or other work related documentation.

**PAGES 1-24 ARE FOR YOUR RECORDS. PLEASE
FILL OUT THE REMAINING PAGES AND RETURN
THEM TO HUMAN RESOURCES.**

EMPLOYEE ACKNOWLEDGEMENT
(English)

By signing this Employee Acknowledgment Form, **the undersigned employee acknowledges that he or she has read or will read each of the provisions of the foregoing Policy Manual and expressly agrees to be bound by each of the policies contained herein.** Concote's agreement to employment in the future is contingent upon your agreement to provide your services subject to Concote's policies. If you are not willing to agree to these conditions, you must notify management of your unwillingness to accept the above as conditions of your employment.

Employee Signature

Employee Name (Printed)

Date Signed and Received

RECONOCIMIENTO DEL EMPLEADO
(Español)

Firmando esta forma del acuse de recibo del empleado, el empleado infrascrito reconoce que el o ella ha recibido una copia del Manual de la política de Concote Corporación, que el empleado ha estudiado o estudiara sus provisiones cuidadosamente y que el empleado acuerda ser limitado por las políticas. **Ademas, infrascrito empleado reconocer que el o ella tener leer cada uno provision precedente politica resumen y expreso convenir para ser limitar por cada uno politica en politica resumen.** El acuerdo de Concote de emplearle se condiciona sobre usted acuerdo de adherir Concote Corporación política, usted deber notificar gerencia su desgana para validar política Concote Corporación como uno condicion usted empleo.

Firma

Nombre (Letra de Molde)

Fecha

Form **W-4**

Department of the Treasury
Internal Revenue Service

Employee's Withholding Certificate

▶ Complete Form W-4 so that your employer can withhold the correct federal income tax from your pay.
▶ Give Form W-4 to your employer.
▶ Your withholding is subject to review by the IRS.

OMB No. 1545-0074

2022

Step 1: Enter Personal Information	(a) First name and middle initial	Last name	(b) Social security number
	Address		▶ Does your name match the name on your social security card? If not, to ensure you get credit for your earnings, contact SSA at 800-772-1213 or go to www.ssa.gov .
	City or town, state, and ZIP code		
	(c) <input type="checkbox"/> Single or Married filing separately <input type="checkbox"/> Married filing jointly or Qualifying widow(er) <input type="checkbox"/> Head of household (Check only if you're unmarried and pay more than half the costs of keeping up a home for yourself and a qualifying individual.)		

Complete Steps 2-4 ONLY if they apply to you; otherwise, skip to Step 5. See page 2 for more information on each step, who can claim exemption from withholding, when to use the estimator at www.irs.gov/W4App, and privacy.

**Step 2:
Multiple Jobs
or Spouse
Works**

Complete this step if you (1) hold more than one job at a time, or (2) are married filing jointly and your spouse also works. The correct amount of withholding depends on income earned from all of these jobs.

Do **only one** of the following.

(a) Use the estimator at www.irs.gov/W4App for most accurate withholding for this step (and Steps 3-4); or

(b) Use the Multiple Jobs Worksheet on page 3 and enter the result in Step 4(c) below for roughly accurate withholding; or

(c) If there are only two jobs total, you may check this box. Do the same on Form W-4 for the other job. This option is accurate for jobs with similar pay; otherwise, more tax than necessary may be withheld . . . ▶

TIP: To be accurate, submit a 2022 Form W-4 for all other jobs. If you (or your spouse) have self-employment income, including as an independent contractor, use the estimator.

Complete Steps 3-4(b) on Form W-4 for only ONE of these jobs. Leave those steps blank for the other jobs. (Your withholding will be most accurate if you complete Steps 3-4(b) on the Form W-4 for the highest paying job.)

Step 3: Claim Dependents	If your total income will be \$200,000 or less (\$400,000 or less if married filing jointly): Multiply the number of qualifying children under age 17 by \$2,000 ▶ \$ _____		
	Multiply the number of other dependents by \$500 . . . ▶ \$ _____		
	Add the amounts above and enter the total here	3	\$ _____
Step 4 (optional): Other Adjustments	(a) Other income (not from jobs). If you want tax withheld for other income you expect this year that won't have withholding, enter the amount of other income here. This may include interest, dividends, and retirement income	4(a)	\$ _____
	(b) Deductions. If you expect to claim deductions other than the standard deduction and want to reduce your withholding, use the Deductions Worksheet on page 3 and enter the result here	4(b)	\$ _____
	(c) Extra withholding. Enter any additional tax you want withheld each pay period . . .	4(c)	\$ _____

**Step 5:
Sign
Here**

Under penalties of perjury, I declare that this certificate, to the best of my knowledge and belief, is true, correct, and complete.

▶ _____ ▶ _____
Employee's signature (This form is not valid unless you sign it.) Date

Employers Only	Employer's name and address	First date of employment	Employer identification number (EIN)

General Instructions

Section references are to the Internal Revenue Code.

Future Developments

For the latest information about developments related to Form W-4, such as legislation enacted after it was published, go to www.irs.gov/FormW4.

Purpose of Form

Complete Form W-4 so that your employer can withhold the correct federal income tax from your pay. If too little is withheld, you will generally owe tax when you file your tax return and may owe a penalty. If too much is withheld, you will generally be due a refund. Complete a new Form W-4 when changes to your personal or financial situation would change the entries on the form. For more information on withholding and when you must furnish a new Form W-4, see Pub. 505, Tax Withholding and Estimated Tax.

Exemption from withholding. You may claim exemption from withholding for 2022 if you meet both of the following conditions: you had no federal income tax liability in 2021 **and** you expect to have no federal income tax liability in 2022. You had no federal income tax liability in 2021 if (1) your total tax on line 24 on your 2021 Form 1040 or 1040-SR is zero (or less than the sum of lines 27a, 28, 29, and 30), or (2) you were not required to file a return because your income was below the filing threshold for your correct filing status. If you claim exemption, you will have no income tax withheld from your paycheck and may owe taxes and penalties when you file your 2022 tax return. To claim exemption from withholding, certify that you meet both of the conditions above by writing "Exempt" on Form W-4 in the space below Step 4(c). Then, complete Steps 1(a), 1(b), and 5. Do not complete any other steps. You will need to submit a new Form W-4 by February 15, 2023.

Your privacy. If you prefer to limit information provided in Steps 2 through 4, use the online estimator, which will also increase accuracy.

As an alternative to the estimator: if you have concerns with Step 2(c), you may choose Step 2(b); if you have concerns with Step 4(a), you may enter an additional amount you want withheld per pay period in Step 4(c). If this is the only job in your household, you may instead check the box in Step 2(c), which will increase your withholding and significantly reduce your paycheck (often by thousands of dollars over the year).

When to use the estimator. Consider using the estimator at www.irs.gov/W4App if you:

1. Expect to work only part of the year;
2. Have dividend or capital gain income, or are subject to additional taxes, such as Additional Medicare Tax;
3. Have self-employment income (see below); or
4. Prefer the most accurate withholding for multiple job situations.

Self-employment. Generally, you will owe both income and self-employment taxes on any self-employment income you receive separate from the wages you receive as an employee. If you want to pay these taxes through withholding from your wages, use the estimator at www.irs.gov/W4App to figure the amount to have withheld.

Nonresident alien. If you're a nonresident alien, see Notice 1392, Supplemental Form W-4 Instructions for Nonresident Aliens, before completing this form.

Specific Instructions

Step 1(c). Check your anticipated filing status. This will determine the standard deduction and tax rates used to compute your withholding.

Step 2. Use this step if you (1) have more than one job at the same time, or (2) are married filing jointly and you and your spouse both work.

Option (a) most accurately calculates the additional tax you need to have withheld, while option (b) does so with a little less accuracy.

If you (and your spouse) have a total of only two jobs, you may instead check the box in option (c). The box must also be checked on the Form W-4 for the other job. If the box is checked, the standard deduction and tax brackets will be cut in half for each job to calculate withholding. This option is roughly accurate for jobs with similar pay; otherwise, more tax than necessary may be withheld, and this extra amount will be larger the greater the difference in pay is between the two jobs.



Multiple jobs. Complete Steps 3 through 4(b) on only one Form W-4. Withholding will be most accurate if you do this on the Form W-4 for the highest paying job.

Step 3. This step provides instructions for determining the amount of the child tax credit and the credit for other dependents that you may be able to claim when you file your tax return. To qualify for the child tax credit, the child must be under age 17 as of December 31, must be your dependent who generally lives with you for more than half the year, and must have the required social security number. You may be able to claim a credit for other dependents for whom a child tax credit can't be claimed, such as an older child or a qualifying relative. For additional eligibility requirements for these credits, see Pub. 501, Dependents, Standard Deduction, and Filing Information. You can also include **other tax credits** for which you are eligible in this step, such as the foreign tax credit and the education tax credits. To do so, add an estimate of the amount for the year to your credits for dependents and enter the total amount in Step 3. Including these credits will increase your paycheck and reduce the amount of any refund you may receive when you file your tax return.

Step 4 (optional).

Step 4(a). Enter in this step the total of your other estimated income for the year, if any. You shouldn't include income from any jobs or self-employment. If you complete Step 4(a), you likely won't have to make estimated tax payments for that income. If you prefer to pay estimated tax rather than having tax on other income withheld from your paycheck, see Form 1040-ES, Estimated Tax for Individuals.

Step 4(b). Enter in this step the amount from the Deductions Worksheet, line 5, if you expect to claim deductions other than the basic standard deduction on your 2022 tax return and want to reduce your withholding to account for these deductions. This includes both itemized deductions and other deductions such as for student loan interest and IRAs.

Step 4(c). Enter in this step any additional tax you want withheld from your pay **each pay period**, including any amounts from the Multiple Jobs Worksheet, line 4. Entering an amount here will reduce your paycheck and will either increase your refund or reduce any amount of tax that you owe.

Step 2(b) – Multiple Jobs Worksheet *(Keep for your records.)*



If you choose the option in Step 2(b) on Form W-4, complete this worksheet (which calculates the total extra tax for all jobs) on **only ONE** Form W-4. Withholding will be most accurate if you complete the worksheet and enter the result on the Form W-4 for the highest paying job.

Note: If more than one job has annual wages of more than \$120,000 or there are more than three jobs, see Pub. 505 for additional tables; or, you can use the online withholding estimator at www.irs.gov/W4App.

- 1 **Two jobs.** If you have two jobs or you're married filing jointly and you and your spouse each have one job, find the amount from the appropriate table on page 4. Using the "Higher Paying Job" row and the "Lower Paying Job" column, find the value at the intersection of the two household salaries and enter that value on line 1. Then, **skip** to line 3 **1** \$ _____

- 2 **Three jobs.** If you and/or your spouse have three jobs at the same time, complete lines 2a, 2b, and 2c below. Otherwise, skip to line 3.
 - a Find the amount from the appropriate table on page 4 using the annual wages from the highest paying job in the "Higher Paying Job" row and the annual wages for your next highest paying job in the "Lower Paying Job" column. Find the value at the intersection of the two household salaries and enter that value on line 2a **2a** \$ _____
 - b Add the annual wages of the two highest paying jobs from line 2a together and use the total as the wages in the "Higher Paying Job" row and use the annual wages for your third job in the "Lower Paying Job" column to find the amount from the appropriate table on page 4 and enter this amount on line 2b **2b** \$ _____
 - c Add the amounts from lines 2a and 2b and enter the result on line 2c **2c** \$ _____

- 3 Enter the number of pay periods per year for the highest paying job. For example, if that job pays weekly, enter 52; if it pays every other week, enter 26; if it pays monthly, enter 12, etc. **3** _____

- 4 **Divide** the annual amount on line 1 or line 2c by the number of pay periods on line 3. Enter this amount here and in **Step 4(c)** of Form W-4 for the highest paying job (along with any other additional amount you want withheld) **4** \$ _____

Step 4(b) – Deductions Worksheet *(Keep for your records.)*



- 1 Enter an estimate of your 2022 itemized deductions (from Schedule A (Form 1040)). Such deductions may include qualifying home mortgage interest, charitable contributions, state and local taxes (up to \$10,000), and medical expenses in excess of 7.5% of your income **1** \$ _____

- 2 Enter: $\left\{ \begin{array}{l} \bullet \$25,900 \text{ if you're married filing jointly or qualifying widow(er)} \\ \bullet \$19,400 \text{ if you're head of household} \\ \bullet \$12,950 \text{ if you're single or married filing separately} \end{array} \right\}$ **2** \$ _____

- 3 If line 1 is greater than line 2, subtract line 2 from line 1 and enter the result here. If line 2 is greater than line 1, enter "-0-" **3** \$ _____

- 4 Enter an estimate of your student loan interest, deductible IRA contributions, and certain other adjustments (from Part II of Schedule 1 (Form 1040)). See Pub. 505 for more information **4** \$ _____

- 5 **Add** lines 3 and 4. Enter the result here and in **Step 4(b)** of Form W-4 **5** \$ _____

Privacy Act and Paperwork Reduction Act Notice. We ask for the information on this form to carry out the Internal Revenue laws of the United States. Internal Revenue Code sections 3402(f)(2) and 6109 and their regulations require you to provide this information; your employer uses it to determine your federal income tax withholding. Failure to provide a properly completed form will result in your being treated as a single person with no other entries on the form; providing fraudulent information may subject you to penalties. Routine uses of this information include giving it to the Department of Justice for civil and criminal litigation; to cities, states, the District of Columbia, and U.S. commonwealths and possessions for use in administering their tax laws; and to the Department of Health and Human Services for use in the National Directory of New Hires. We may also disclose this information to other countries under a tax treaty, to federal and state agencies to enforce federal nontax criminal laws, or to federal law enforcement and intelligence agencies to combat terrorism.

You are not required to provide the information requested on a form that is subject to the Paperwork Reduction Act unless the form displays a valid OMB control number. Books or records relating to a form or its instructions must be retained as long as their contents may become material in the administration of any Internal Revenue law. Generally, tax returns and return information are confidential, as required by Code section 6103.

The average time and expenses required to complete and file this form will vary depending on individual circumstances. For estimated averages, see the instructions for your income tax return.

If you have suggestions for making this form simpler, we would be happy to hear from you. See the instructions for your income tax return.

Married Filing Jointly or Qualifying Widow(er)

Higher Paying Job Annual Taxable Wage & Salary	Lower Paying Job Annual Taxable Wage & Salary											
	\$0 - 9,999	\$10,000 - 19,999	\$20,000 - 29,999	\$30,000 - 39,999	\$40,000 - 49,999	\$50,000 - 59,999	\$60,000 - 69,999	\$70,000 - 79,999	\$80,000 - 89,999	\$90,000 - 99,999	\$100,000 - 109,999	\$110,000 - 120,000
\$0 - 9,999	\$0	\$110	\$850	\$860	\$1,020	\$1,020	\$1,020	\$1,020	\$1,020	\$1,020	\$1,770	\$1,870
\$10,000 - 19,999	110	1,110	1,860	2,060	2,220	2,220	2,220	2,220	2,220	2,970	3,970	4,070
\$20,000 - 29,999	850	1,860	2,800	3,000	3,160	3,160	3,160	3,160	3,910	4,910	5,910	6,010
\$30,000 - 39,999	860	2,060	3,000	3,200	3,360	3,360	3,360	4,110	5,110	6,110	7,110	7,210
\$40,000 - 49,999	1,020	2,220	3,160	3,360	3,520	3,520	4,270	5,270	6,270	7,270	8,270	8,370
\$50,000 - 59,999	1,020	2,220	3,160	3,360	3,520	4,270	5,270	6,270	7,270	8,270	9,270	9,370
\$60,000 - 69,999	1,020	2,220	3,160	3,360	4,270	5,270	6,270	7,270	8,270	9,270	10,270	10,370
\$70,000 - 79,999	1,020	2,220	3,160	4,110	5,270	6,270	7,270	8,270	9,270	10,270	11,270	11,370
\$80,000 - 99,999	1,020	2,820	4,760	5,960	7,120	8,120	9,120	10,120	11,120	12,120	13,150	13,450
\$100,000 - 149,999	1,870	4,070	6,010	7,210	8,370	9,370	10,510	11,710	12,910	14,110	15,310	15,600
\$150,000 - 239,999	2,040	4,440	6,580	7,980	9,340	10,540	11,740	12,940	14,140	15,340	16,540	16,830
\$240,000 - 259,999	2,040	4,440	6,580	7,980	9,340	10,540	11,740	12,940	14,140	15,340	16,540	17,590
\$260,000 - 279,999	2,040	4,440	6,580	7,980	9,340	10,540	11,740	12,940	14,140	16,100	16,100	19,190
\$280,000 - 299,999	2,040	4,440	6,580	7,980	9,340	10,540	11,740	13,700	15,700	17,700	19,700	20,790
\$300,000 - 319,999	2,040	4,440	6,580	7,980	9,340	11,300	13,300	15,300	17,300	19,300	21,300	22,390
\$320,000 - 364,999	2,100	5,300	8,240	10,440	12,600	14,600	16,600	18,600	20,600	22,600	24,670	26,280
\$365,000 - 524,999	2,970	6,470	9,710	12,210	14,670	16,970	19,270	21,570	23,870	26,170	28,470	29,870
\$525,000 and over	3,140	6,840	10,280	12,980	15,640	18,140	20,640	23,140	25,640	28,140	30,640	32,240

Single or Married Filing Separately

Higher Paying Job Annual Taxable Wage & Salary	Lower Paying Job Annual Taxable Wage & Salary											
	\$0 - 9,999	\$10,000 - 19,999	\$20,000 - 29,999	\$30,000 - 39,999	\$40,000 - 49,999	\$50,000 - 59,999	\$60,000 - 69,999	\$70,000 - 79,999	\$80,000 - 89,999	\$90,000 - 99,999	\$100,000 - 109,999	\$110,000 - 120,000
\$0 - 9,999	\$400	\$930	\$1,020	\$1,020	\$1,250	\$1,870	\$1,870	\$1,870	\$1,870	\$1,970	\$2,040	\$2,040
\$10,000 - 19,999	930	1,570	1,660	1,890	2,890	3,510	3,510	3,510	3,610	3,810	3,880	3,880
\$20,000 - 29,999	1,020	1,660	1,990	2,990	3,990	4,610	4,610	4,710	4,910	5,110	5,180	5,180
\$30,000 - 39,999	1,020	1,890	2,990	3,990	4,990	5,610	5,710	5,910	6,110	6,310	6,380	6,380
\$40,000 - 59,999	1,870	3,510	4,610	5,610	6,680	7,500	7,700	7,900	8,100	8,300	8,370	8,370
\$60,000 - 79,999	1,870	3,510	4,680	5,880	7,080	7,900	8,100	8,300	8,500	8,700	8,970	9,770
\$80,000 - 99,999	1,940	3,780	5,080	6,280	7,480	8,300	8,500	8,700	9,100	10,100	10,970	11,770
\$100,000 - 124,999	2,040	3,880	5,180	6,380	7,580	8,400	9,140	10,140	11,140	12,140	13,040	14,140
\$125,000 - 149,999	2,040	3,880	5,180	6,520	8,520	10,140	11,140	12,140	13,320	14,620	15,790	16,890
\$150,000 - 174,999	2,040	4,420	6,520	8,520	10,520	12,170	13,470	14,770	16,070	17,370	18,540	19,640
\$175,000 - 199,999	2,720	5,360	7,460	9,630	11,930	13,860	15,160	16,460	17,760	19,060	20,230	21,330
\$200,000 - 249,999	2,970	5,920	8,310	10,610	12,910	14,840	16,140	17,440	18,740	20,040	21,210	22,310
\$250,000 - 399,999	2,970	5,920	8,310	10,610	12,910	14,840	16,140	17,440	18,740	20,040	21,210	22,310
\$400,000 - 449,999	2,970	5,920	8,310	10,610	12,910	14,840	16,140	17,440	18,740	20,040	21,210	22,470
\$450,000 and over	3,140	6,290	8,880	11,380	13,880	16,010	17,510	19,010	20,510	22,010	23,380	24,680

Head of Household

Higher Paying Job Annual Taxable Wage & Salary	Lower Paying Job Annual Taxable Wage & Salary											
	\$0 - 9,999	\$10,000 - 19,999	\$20,000 - 29,999	\$30,000 - 39,999	\$40,000 - 49,999	\$50,000 - 59,999	\$60,000 - 69,999	\$70,000 - 79,999	\$80,000 - 89,999	\$90,000 - 99,999	\$100,000 - 109,999	\$110,000 - 120,000
\$0 - 9,999	\$0	\$760	\$910	\$1,020	\$1,020	\$1,020	\$1,190	\$1,870	\$1,870	\$1,870	\$2,040	\$2,040
\$10,000 - 19,999	760	1,820	2,110	2,220	2,220	2,390	3,390	4,070	4,070	4,240	4,440	4,440
\$20,000 - 29,999	910	2,110	2,400	2,510	2,680	3,680	4,680	5,360	5,530	5,730	5,930	5,930
\$30,000 - 39,999	1,020	2,220	2,510	2,790	3,790	4,790	5,790	6,640	6,840	7,040	7,240	7,240
\$40,000 - 59,999	1,020	2,240	3,530	4,640	5,640	6,780	7,980	8,860	9,060	9,260	9,460	9,460
\$60,000 - 79,999	1,870	4,070	5,360	6,610	7,810	9,010	10,210	11,090	11,290	11,490	11,690	12,170
\$80,000 - 99,999	1,870	4,210	5,700	7,010	8,210	9,410	10,610	11,490	11,690	12,380	13,370	14,170
\$100,000 - 124,999	2,040	4,440	5,930	7,240	8,440	9,640	10,860	12,540	13,540	14,540	15,540	16,480
\$125,000 - 149,999	2,040	4,440	5,930	7,240	8,860	10,860	12,860	14,540	15,540	16,830	18,130	19,230
\$150,000 - 174,999	2,040	4,460	6,750	8,860	10,860	12,860	15,000	16,980	18,280	19,580	20,880	21,980
\$175,000 - 199,999	2,720	5,920	8,210	10,320	12,600	14,900	17,200	19,180	20,480	21,780	23,080	24,180
\$200,000 - 449,999	2,970	6,470	9,060	11,480	13,780	16,080	18,380	20,360	21,660	22,960	24,250	25,360
\$450,000 and over	3,140	6,840	9,630	12,250	14,750	17,250	19,750	21,930	23,430	24,930	26,420	27,730