

SUMMARY OF MATERIAL MODIFICATIONS

Auto-Chlor System, Inc. Profit Sharing and 401(k) Plan (“Plan”)

Due to the recent amendment of the above-referenced Plan, changes have been made that could affect your rights under the Plan. This Summary of Material Modifications (SMM) describes the recent Plan amendment and how that amendment may affect you. This SMM overrides any inconsistent information included in the Plan’s Summary Plan Description (SPD) or other Plan forms.

The modifications described in this SMM are effective as of January 1, 2025. All other provisions are effective as described in the SPD.

PLAN CONTRIBUTIONS

Article 5 of the SPD describes the types of contributions authorized under the Plan. The Plan has been amended to modify the types or amount of contributions that may be made under the Plan. This section describes the changes that were made to the information contained in Article 5 of the SPD. Any contributions described in this section are subject to the eligibility conditions under the Plan, as described in Article 4 of the SPD.

Roth Deferrals. Effective 1-1-2025, if you make Salary Deferrals under the Plan, you may elect to treat those deferrals as Roth Deferrals. Roth Deferrals are a form of Salary Deferral but, instead of being contributed on a pre-tax basis, like regular Salary Deferrals, you must pay income tax currently on such deferrals. However, provided you satisfy the distribution requirements applicable to Roth Deferrals, you will not have to pay any income taxes at the time you withdraw your Roth Deferrals from the Plan, including amounts attributable to earnings. Thus, if you take a qualified distribution your entire distribution may be withdrawn tax-free (including earnings). To qualify for a tax-free distribution, you must have your Roth Deferral account in place for at least five years and you must take the distribution on account of death, disability, or attainment of age 59½. (You should discuss the relative advantages of regular Salary Deferrals and Roth Deferrals with a financial professional before deciding how much to designate as regular Salary Deferrals and Roth Deferrals.)

If you have made both pre-tax Salary Deferrals and Roth Deferrals under the Plan, you may designate the extent to which a distribution of Salary Deferrals is taken from your pre-tax Salary Deferral Account or your Roth Deferral Account. Any distribution of Salary Deferrals (including Roth Deferrals) must be authorized under the Plan distribution provisions.

In-Plan Roth Conversions. Effective 1-1-2025, the Plan has been amended to permit In-Plan Roth conversions. Under an In-Plan Roth conversion, you may convert your existing non-Roth vested Plan accounts to a “Roth” account within the Plan. This includes not only Salary Deferrals, but other contributions, such as Employer Contributions or Matching Contributions. Converting non-Roth contributions to Roth contributions can be a complex decision that is dependent on your personal financial situation and may not be appropriate for all situations or in all circumstances. **Therefore, you should consult with your individual tax advisor to help you determine if this strategy is appropriate for you.**

If you are eligible to make an In-Plan Roth conversion, you can make an In-Plan Roth conversion at any time, even if you are not otherwise eligible to receive a distribution from the Plan. Please contact the Plan Administrator if you would like more information as to how to implement an In-Plan Roth conversion.

- **Tax effect of Roth conversion.** If you elect to convert any portion of your non-Roth contributions to Roth contributions, you will have to include those amounts in gross income for the year of the conversion, unless you have already included such amounts in income. Since no actual distribution is being made from the Plan, no withholding will apply to the in-Plan conversion. If you elect to convert to Roth contributions, you should be sure you have adequately withheld amounts based on the additional taxes owed as a result of the Roth conversion. You may want to increase your withholding or make an estimated tax payment to avoid any potential penalties for underpayment of taxes when filing your federal tax return. You should discuss the specific tax consequences with your tax advisor. In addition, if

you are under age 59½ at the time of the Roth conversion, you may be subject to a 10% penalty tax if you take a subsequent distribution from the Roth conversion account prior to your attaining age 59½.

- **Limits applicable to Roth conversions.** In addition, certain limits apply for purposes of determining the amounts that can be converted to Roth contributions. For this purpose, the following limits apply:
 - Roth conversions may only be made from contribution sources that are fully vested (i.e., 100% vested).
- **Distribution options.** Generally, the same distribution options will apply to the Roth conversion account as apply to the amounts being converted. For example, if you are entitled to take a distribution of your pre-tax contributions at age 59½, that same distribution option would continue to apply if you convert those amounts to Roth contributions, regardless of any distribution options available with respect to regular Roth contributions.

Additional Information

If you have any questions about the modifications described in this SMM or about the Plan in general, or if you would like a copy of the SPD or other Plan documents, you may contact:

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