

Accrual Cap Addendum to the Sick Time Policy

Effective Date: January 1, 2025

This Addendum outlines the changes to the Auto-Chlor System (“the Company”) Sick Time Policy regarding accrual and capping of sick time hours for all employees.

Beginning on January 1, 2025, the maximum number of sick time hours that an employee can accrue will be capped at 120 hours. Employees accrued sick time hours will continue to roll over each year and are not paid out at the time of separation of employment. Employees will no longer accumulate or carry over sick time beyond the 120-hour cap limit.

Employees will continue to accrue sick time at the regular rate outlined in the Company’s handbook, but no further accrual of sick time hours will occur once the employee's balance reaches the 120-hour cap.

Employees who have already accrued more than 120 hours of sick time as of January 1, 2025, will be allowed to keep those hours, but the amount of newly accrued sick time will be reduced until the sick time balance falls below 120 hours.

For all employees as of January 1, 2025, when the sick time balance is at or above 120 hours, the employee will continue to accrue sick time as per the standard accrual rate but any existing sick time above the 120 hours cap will expire.

This policy will go into effect on January 1, 2025. We recommend all employees to log into their ADP account at www.workforcenow.adp.com and review their accrual balance on their paystubs prior to the policy’s implementation. Employees are encouraged to plan accordingly to ensure they manage their sick time within the new 120-hour cap.

If you have any questions regarding this policy or how it may affect your sick time accrual, please contact the HR department at hr@autochlor.com or 650-967-3085 for further clarification.

Note: This policy is subject to change at the company's discretion and in compliance with local, state, or federal regulations