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**From:** Cordero, Corrie (CORP) <Corrie.A.Cordero@ADP.com>  
**Sent:** Monday, October 14, 2019 3:05 PM  
**To:** Kendrick, Jonathan A. - VP & Chief Human Resources Officer; Greenwood, Wendy (CORP); Motsett, Brian (ES); Hill, Miriam R. (COJ OGC); McCollum, Jenny G. - Dir Procurement Services; Beard, Heather Burnett - Manager Procurement Contracts  
**Cc:** Prater, Cecilia (ES); Heckman, Mary (ES); Selders, Elaine L.; Mack, Robert E. - Dir Organizational Effectiveness & Payroll; Van Den Heuvel, Sharon - Dir ERP Systems; Eads, Shawn W. - VP & Chief Information Officer; Cordero, Corrie (CORP)  
**Subject:** RE: JEA / ADP  
**Attachments:** JEA LOE executed 10.14.19.pdf; JEA Comp Service MSA 10-14-2019.docx

[External Email - Exercise caution. DO NOT open attachments or click links from unknown senders or unexpected email.]

Good afternoon Jonathan,

Attached is the fully executed LOE for your files, thank you to everyone for working through the LOE.

I've attached the MSA for your review. Please note that ADP's Legal Counsel, Wendy Greenwood, did update the MSA with the Florida Public Records language and updated governing law with Florida.

Once you're done reviewing the MSA, if you do have any redlines, please forward the redline Agreement to me and I'll work with Wendy on reviewing, providing the updated Agreement, and scheduling a meeting if needed.

Thanks,



**Corrie Cordero**  
Client Business Executive, Deal Support  
Organization

Alpharetta, GA  
C: 678 939 1822

[corrie.a.cordero@adp.com](mailto:corrie.a.cordero@adp.com)

Out of Office: 10/18, 10/21



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**From:** Kendrick, Jonathan A. - VP & Chief Human Resources Officer [mailto:kendja@jea.com]

**Sent:** Friday, October 11, 2019 2:15 PM

**To:** Greenwood, Wendy (CORP) <Wendy.Greenwood@ADP.com>; Motsett, Brian (ES) <Brian.Motsett@ADP.com>; Hill, Miriam R. (COJ OGC) <hillmr@jea.com>; Cordero, Corrie (CORP) <Corrie.A.Cordero@ADP.com>; McCollum, Jenny G. - Dir Procurement Services <gleejs@jea.com>; Beard, Heather Burnett - Manager Procurement Contracts <bearhb@jea.com>

**Cc:** Prater, Cecilia (ES) <Cecilia.Prater@adp.com>; Heckman, Mary (ES) <Mary.Heckman@ADP.com>; Selders, Elaine L. <seldel@jea.com>; Mack, Robert E. - Dir Organizational Effectiveness & Payroll <MackRE@jea.com>; Van Den Heuvel, Sharon - Dir ERP Systems <VandS@jea.com>; Eads, Shawn W. - VP & Chief Information Officer <eadssw@jea.com>

**Subject:** RE: JEA / ADP

**WARNING: Do not click links or open attachments unless you recognize the source of the email and know the contents are safe.**

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Good Afternoon,

Attached is the signed LOE between JEA and ADP. Brian – please sign and send back a fully executed copy.

Looking forward to starting this project.

Thanks.

Jon

**Jon Kendrick**

Vice President & Chief Human Resources Officer

Direct: (904) 665-4747

Mobile: (904) 466-8517



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Florida has a very broad Public Records Law. Virtually all written communications to or from State and Local Officials and employees are public records available to the public and media upon request. Any email sent to or from JEA's system may be considered a public record and subject to disclosure under Florida's Public Records Laws. Any information deemed confidential and exempt from Florida's Public Records Laws should be clearly marked. Under Florida law, e-mail addresses are public records. If you do not want your e-mail address released in response to a public-records request, do not send electronic mail to this entity. Instead, contact JEA by phone or in writing.

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October 11, 2019

JEA  
21 West Church Street  
Jacksonville, FL 32202

**RE: LETTER OF ENGAGEMENT FOR ADP COMPREHENSIVE SERVICES**

Dear Jonathan Kendrick:

This Letter of Engagement ("LOE") contains the terms of our agreement for ADP, LLC ("ADP") to commence certain implementation activities on behalf of JEA ("Client") and also sets forth the scope of our current understanding of the requested services.

The scope and pricing for the services that have been agreed to by ADP and Client are described in the Executive Pricing Summary attached as Exhibit A hereto (the "Services"). The pricing outlined in the proposal is based upon ADP's standard services and functionality. Any adjustments are subject to mutual agreement of the parties.

Client acknowledges that a detailed, definitive agreement is required to be executed by the parties prior to the commencement of live processing services. The parties agree to use commercially reasonable efforts to negotiate the terms of such agreement within 14 days from the execution of this LOE.

ADP will perform the implementation activities for the implementation fees set forth on the executive pricing summary. Fees for implementation activities will be invoiced to JEA on a monthly basis at a rate of twenty-five percent (25%) per month of the One-Time Implementation Fees listed on the executive pricing summary. Amounts incurred under this LOE are payable by Client within 30 days of invoice date. All fees paid under this LOE will be credited against the total implementation fees set forth under the definitive agreement entered into between the parties.

Implementation of any ADP application programs (the "ADP Application Program") under this LOE shall be subject to the terms and conditions of the definitive agreement.

ADP will solely own any and all tangible property and physical deliverables created by ADP on the Client's behalf in connection with the implementation of the Services and the ADP Application Program proposed under this LOE and Client shall have a non-exclusive license to use such Services and the ADP Application Program solely for its charter purposes in connection with the implementation of the services as described herein. Notwithstanding the foregoing, Client will own all information and materials provided by Client, its agents or employees to ADP regardless of form ("Client Content"). Further, Client will retain ownership of reports and other materials that include Client Content produced and delivered by ADP as part of the Services, provided that ADP will be the owner of the format of such reports.





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Each party shall treat as confidential and will not disclose or otherwise make available to a third party any information of the other party that is confidential or proprietary in nature ("Confidential Information"). Each party will instruct its employees who have access to the Confidential Information of the other to keep the same confidential by using the same care and discretion that each party uses with respect to its own confidential information.

To the extent that Client is a "Public agency" as defined in 119.0701(1)(b) of the Florida Statutes, and ADP is a "Contractor" as defined in Section 119.0701(1)(a) of the Florida Statutes, ADP shall comply with Florida public records laws (as applicable), specifically to:

- (a) Keep and maintain documents which are required for ADP to perform the Services for Client under this Agreement, which are also Client's public records;
- (b) Upon request from the Client or its designee, provide the Client with a copy of the available requested records within a reasonable time at a cost that does not exceed the cost provided in Chapter 119, Florida Statutes, or as otherwise provided by law.
- (c) Ensure that public records that are exempt or confidential and exempt from public records disclosure requirements are not disclosed except as authorized by law.
- (d) Meet all requirements for retaining public records and transfer, at no cost, to the Client, all public records in possession of ADP upon expiration, or termination, of this Agreement and destroy any duplicate public records that are exempt or confidential and exempt from public records disclosure requirements. All records stored electronically must be provided to the Client, upon request from the Client or its designee, in a format that is compatible with the information technology systems of the Client and such format shall be mutually agreed upon by ADP and Client.

Neither party shall be liable for indirect or consequential, exemplary, punitive, special, or other such damages (including, without limitation, lost profits), even if such party has been advised of the possibility of such damages in advance, nor shall either party's liability to the other for monetary damages hereunder exceed the total charges paid or payable by Client to ADP under this LOE.

This LOE shall be governed and construed in accordance with the laws of the State of Florida, without giving effect to the principles thereof relating to conflicts of laws. The limitations of liability and the obligations of confidentiality set forth herein shall survive the termination of this LOE.

Either party may terminate this LOE by providing 10 days prior written notice to the other party. Upon the termination of this LOE for any reason, Client shall pay ADP for all direct fees and expenses up through the date of termination, and each party shall return to the other or destroy any and all copies of the other's Confidential Information which are in its possession if permitted by law to do so.





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If this LOE is acceptable, please execute a copy of this LOE in the space provided below and return it to ADP. This LOE may be executed in one or more counterparts. Confirmation of execution by electronic email or facsimile signature page shall be binding upon any party so confirming.

**ACCEPTED AND AGREED TO:**

**ADP, LLC**

By: [Signature]  
Name: Ed F. Tegera  
Title: Sr Director Finance  
Date: 10/14/2019

**JEA**

By: [Signature]  
Name: JA KENDRICK  
Title: VP/CHRO  
Date: 10/11/19



# Executive Pricing Summary

## US Comprehensive Services for JEA

The pricing below and associated assumptions outlined on the following pages are valid for 90 days from the date of this proposal, and assume a 2 Year contract term from the date on which live processing commences. After the first year of the Agreement, ADP reserves the right to increase ongoing fees on an annual basis. Any changes to the scope outlined below will require a new pricing estimate.

Ongoing Service Fees	Per Employee Per Month (AVG PEPM)	Estimated Annual Cost
<b>Comp Payroll without WFN Technology **</b>  <b>420 Employees Bi-Weekly (26)</b> <b>Monthly Minimum for Core Service Offering \$1650</b> <i>Includes: ADP Analytics</i> <i>Includes: Document Cloud</i>	\$ 31.35	\$ 158,004.00
<b>ADP Enhanced Time / Qty - 420</b> <b>Monthly Minimum for TLM Service Offering \$1400</b>	\$ 5.23	\$ 26,334.00
<b>Administrative Fees</b> <b>Monthly Administrative and Delivery Fees</b>	\$275.00 (per month)	\$ 3,300.00
<b>W-2 Year-end Processing Fees</b> <b>Year one W-2 estimated</b>	\$2.50 (per form)	\$ 1,050.00
<b>Non-Paid EEs / Qty -</b>  <b>Postage, Shipping, Travel and other Out-of-Pocket Expenses: ADP will invoice Client for postage charges, delivery charges, other reasonable pre-approved third-party charges incurred on behalf of Client, and reasonable, pre-approved travel and reasonable, pre-approved out-of-pocket expenses.</b>	\$ 10.40	\$ -
<b>ADP Data Bridge</b>	\$ 0.50	\$ 2,520.00
<b>Total Estimated Annual Service Fees</b>		<b>\$ 191,208.00</b>

<b>Total Implementation Fees:</b> <b>\$52,500.00 24 monthly payments of \$2,187.50</b>  <i>Virtual Implementation Approach</i>	<b>\$ 52,500.00</b>
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One-Time Implementation Fees	One-time Cost
ADP Comprehensive Services, Hosting, Payroll, Training, and Guided Implementation.	\$ 32,499.20
Implementation for ADP Data Bridge - (hourly rate* estimated hours)	\$ 17,392.00
Management Report (hourly rate *estimated hours)	\$ 2,608.80
<b>Estimated One-Time Implementation Fees</b>	<b>\$ 52,500.00</b>



Core Services Pricing Tiers (EE's) Before Discount	PEPM
1 - 500 Employees	\$ 33.00
501 - 1000 Employees	\$ 22.25
1001 -1750Employees	\$ 21.50
1751 - 2500 Employees	\$ 21.25
2501 - 3250 Employees	\$ 21.25
3251 - 5000 Employees	\$ 21.00
5001 - 7500 Employees	\$ 20.75
7501+ Employees	\$ 20.50

\*\* PEPM subject to change based on pay frequency







**ADP, LLC:** (referred to herein as “ADP”)

One ADP Boulevard  
Roseland, New Jersey 07068  
United States

**Client:** (referred to herein as “Client”)

**JEA**  
**21 West Church Street**  
**Jacksonville, FL 32202**

(Effective Date)

**Attention: Jonathan Kendrick**  
Attention

ADP and Client agree that ADP shall provide Client with the following services in accordance with the terms and subject to the conditions set forth in this ADP Comprehensive Services Master Services Agreement.

ANNEX A:	GENERAL TERMS AND CONDITIONS
ANNEX D:	ADP COMPREHENSIVE PAYROLL SERVICES
ANNEX Y	DEFERRED IMPLEMENTATION FEES
Exhibit 1	EXECUTIVE PRICING SUMMARY
Exhibit 2	CLIENT GOVERNANCE /CHANGE OF CONTROL PROCEDURES

**BY SIGNING BELOW, CLIENT ACKNOWLEDGES THAT THEY HAVE REVIEWED THE ENTIRE AGREEMENT INCLUDING THE TERMS AND CONDITIONS IN EACH ANNEX CORRESPONDING TO SERVICES PURCHASED PURSUANT TO THE EXECUTIVE PRICING SUMMARY.**

**ADP, LLC**

By:

Name:

Title:

Date:

**Client**

By:

Name:

Title:

Date:



**1 Definitions.**

- 1.1 "ADP" has the meaning set forth on the cover page.
- 1.2 "ADP Application Programs" means the computer software programs and related Documentation, including any updates, modifications or enhancements thereto, that are either delivered or made accessible to Client through a hosted environment by ADP in connection with the Services.
- 1.3 "ADP Comprehensive Services" means ADP's business process outsourcing services delivered via ADP Workforce Now technology that covers the spectrum of human capital management services, including payroll, human resources, time and attendance, recruitment, talent, learning, benefits, among other services.
- 1.4 "ADP Workforce Now" means ADP's web-based portal which provides a single point of access to ADP online solutions and employee-facing websites and resources related to payroll, HR, benefits, talent, and time and attendance.
- 1.5 "Agreement" means this ADP Comprehensive Services- Master Services Agreement, consisting of the signature pages, the General Terms and Conditions, all exhibits, annexes, addendum, appendices and schedules, and each amendment, if any.
- 1.6 "Affiliate" means any individual, corporation or partnership or any other entity or organization (a "person") that controls, is controlled by or is under common control with Client. For purposes of the preceding definition, "control" shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such person, whether through ownership of voting securities or by contract or otherwise.
- 1.7 "Access Country" has the meaning set forth in Section 2.3.
- 1.8 "API" means ADP approved application programming interface(s) that support point to point interaction of different systems.
- 1.9 "Approved Country" means each country in which, subject to the terms of this Agreement, Client is authorized to use or receive the Services. The Approved Country for the Services is the United States.
- 1.10 "Business Day" means any day, except a Saturday, Sunday or a day on which ADP's bank is not open for business in the applicable jurisdiction where services are provided by ADP.
- 1.11 "Buy Out Fee" has the meaning set forth in Section 12.4
- 1.12 "Client" has the meaning set forth on the cover page.
- 1.13 "Client Content" means all information and materials provided by Client, its agents or employees, regardless of form, to ADP under this Agreement.
- 1.14 "Client Group" means Client and Client's Affiliates who are receiving Services under this Agreement pursuant to a Executive Pricing Summary.
- 1.1 "Client Infringement Event" means (i) any change, or enhancement in, or use of, the Services made by Client or a third party on behalf of Client other than at the direction of, or as approved by, ADP or (ii) Client's failure to use the most current release or version of such computer software programs included in the ADP Application Programs or any corrections or enhancements provided by ADP thereto (to the extent ADP requires Client to use the most current release or version of any computer software programs, the implementation of such shall be at no charge to Clients).
- 1.15 "Confidential Information" means all information of a confidential or proprietary nature, including pricing and pricing related information and all Personal Information, provided by the disclosing party to the receiving party under this Agreement but does not include (i) information that is already known by the receiving party, (ii) information that becomes generally available to the public other than as a result of disclosure by the receiving party in violation of this Agreement, and (iii) information that becomes known to the receiving party from a source other than the disclosing party on a non-confidential basis.
- 1.16 "Documentation" means all manuals, tutorials and related materials that may be provided or made available to Client by ADP in connection with the Services.
- 1.17 "Executive Pricing Summary" means the document set forth on Exhibit 1 hereto that lists the Services purchased by Client Group from ADP.
- 1.18 "FCRA" Fair Credit Reporting Act, 15 U.S.C. §1681 et seq.
- 1.19 "General Terms and Conditions" means the terms and conditions contained in this Annex A.
- 1.20 "Gross Negligence" has the meaning set forth in Section 7.3.1.
- 1.21 "Improvements" has the meaning set forth in Section 5.4
- 1.22 "Incident" means a security breach (as defined in any applicable law) or any other event that compromises the security, confidentiality or integrity of Client's Personal Information.
- 1.23 "Indemnitees" has the meaning set forth in Section 6.3
- 1.24 "Indemnitor" has the meaning set forth in Section 6.3.
- 1.25 "Initial Term" means the period beginning as of the Effective Date and ending five (5) years after the date of Client's first monthly invoice for Services.
- 1.26 "Intellectual Property Rights" means all rights, title and interest to or in patent, copyright, trademark, service mark, trade secret, business or trade name, know-how and rights of a similar or corresponding character.
- 1.27 "Internal Business Purposes" means the usage of the Services solely by the Client Group for its own internal business purposes, without the right to provide service bureau or other data processing services, or otherwise share or distribute the Services, to any party outside the Client Group, unless expressly contemplated by this Agreement.
- 1.28 "Kick-off Call" has the meaning set forth in Section 11.4.
- 1.29 "NACHA" means the National Automated Clearing House Association.
- 1.30 "Payee" means any intended recipient of payments under the Payment Services and may include Client's employees, taxing authorities, governmental agencies, suppliers, benefit carriers and/or other third parties; provided that in the case of ADP Wage Payment Services, Payee shall be limited to Client's employees and independent contractors.
- 1.31 "Payment Services" means any Services that involve electronic or check payments being made by ADP to third parties on Client's behalf and at its direction.

- 1.32 **"Personal Information"** means information relating to an identified or identifiable natural person. An identifiable natural person is one who can be identified, directly or indirectly, in particular by reference to an identification number or to one or more factors specific to such person's physical, physiological, mental, economic, cultural or social identity.
- 1.33 **"Price Agreement"** means a supplemental agreement between the parties that addresses future price rate increase on certain Services over a specific period of time.
- 1.34 **"Renewal Term"** means each additional one (1) year period after the Initial Term.
- 1.35 **"Services"** means the services (including implementation services related thereto) listed in any Executive Price Summary, and such other services as the parties may agree to be performed from time to time.
- 1.36 **"SOC 1"** means any routine Service Organization Control 1 reports.
- 1.37 **"Term"** means, either individually or collectively, the Initial Term and each Renewal Term.
- 1.38 **"Termination Event"** means with respect to any party, the occurrence of any of the following: (i) under the applicable bankruptcy laws or similar law regarding insolvency or relief for debtors, (A) a trustee, receiver, custodian or similar officer is appointed for a party's business or property, (B) a party seeks to liquidate, wind-up, dissolve, reorganize or otherwise obtain relief from its creditors, or (C) an involuntary proceeding is commenced against a party and the proceeding is not stayed, discharged or dismissed within thirty (30) days of its commencement, or (ii) a party's Standard and Poor's issuer credit rating falls to or below BB.
- 1.39 **"User"** means any single natural person who, subject to the terms of this Agreement, is authorized by Client to use, access or receive the Services.
- 1.40 **"Verification Agent"** has the meaning set forth in Section 14.1.6.1.1.
- 1.41 **"Verification Data"** has the meaning set forth in Section 14.1.6.1.1.
- 1.42 **"Verifiers"** has the meaning set forth in Section 14.1.6.1.1.

## 2 Provision and Use of Services

- 2.1 **Provision of Services.** ADP, or one of its Affiliates, will provide the Services to Client in accordance with the terms of this Agreement and any applicable Executive Pricing Summary. ADP will provide the Services in a good, diligent and professional manner in accordance with industry standards, utilizing personnel with a level of skill commensurate with the Services to be performed. ADP's performance of the Services (including any applicable implementation activities) is dependent upon the timely completion of Client's responsibilities and obligations under this Agreement. Without limitation of the foregoing, Client will timely provide the Client Content necessary for ADP to provide the Services.
- 2.2 **Cooperation.** ADP and Client will work together to implement the Services. Client will cooperate with ADP and execute and deliver all documents, forms, or instruments necessary for ADP to implement and render the Services. Client will provide ADP with all reasonable and necessary Client Content in the format requested by ADP, and will otherwise provide all reasonable assistance required of Client in order for ADP to implement the Services. In the event a Client migrates from any other ADP service or platform, Client consents to ADP transferring Client data from such platform to ADP Workforce Now.
- 2.3 **Use of Services.** Client will use the Services in accordance with the terms of this Agreement and solely for its own Internal Business Purposes in the Approved Country. Client will be responsible for the use of the Services by the Client Group and the Users in accordance with the terms of this Agreement. Client is responsible for the accuracy and completeness of the Client Content provided to ADP. In addition, the ADP Workforce Now HR and/or Talent modules (but specifically excluding Document Cloud, Onboarding Services, any eLearning Courses, EAP and employee perks services, if applicable, and any other modules/tools that ADP, in its sole discretion, determines shall not be accessible to Client employees located outside the United States), are intended for use in the United States and may be used by Client's HR administrator to track employees located in the countries specified on the ADP Workforce Now Approved Country (Global Suitability) List found at [www.productdescription.majoraccounts.adp.com](http://www.productdescription.majoraccounts.adp.com) (each an "Access Country"). For the avoidance of doubt, the ADP Workforce Now HR and/or Talent module(s) as such other service outlined herein are intended to be used within the United States only and for tracking purposes only when used as a Client's HR global system of record.
- 2.4 **Errors.** Client will promptly review all documents and reports produced by ADP and provided or made available to Client in connection with the Services and promptly notify ADP of any error, omission, or discrepancy with Client's records. ADP will promptly correct such error, omission or discrepancy and, if such error, omission or discrepancy was caused by ADP, then such correction will be done at no additional charge to Client.
- 2.5 **Records.** Without prejudice to ADP's obligation to retain the data necessary for the provision of the Services, ADP does not serve as Client's record keeper and Client will be responsible for retaining copies of all documentation received from and Client Content provided to ADP in connection with the Services to the extent required by Client.

## 3 Compliance.

- 3.1. **Applicable Laws.** Each party will comply with applicable laws and regulations that affect its business generally, including any rules and regulations applicable to ADP regarding trade sanctions, export controls, or trade with prohibited parties.
- 3.2. **Design of the Services.** ADP will design the Services, including the functions and processes applicable to the performance of the Services, to assist the Client in complying with its legal and regulatory requirements applicable to the Services, and ADP will be responsible for the accuracy of such design. Client and not ADP will be responsible for (i) how it uses the Services to comply with its legal and regulatory requirements and (ii) the consequences of any instructions that it gives or fails to give to ADP, including as part of the implementation of the Services, provided ADP follows such instructions. Services do not include any legal, financial, regulatory, benefits, accounting or tax advice.
- 3.3. **Online Statements.** If Client instructs ADP to provide online pay statements, Forms W2, Forms 1099 or Forms 1095-C, as applicable, without physical copies thereof, Client will be exclusively responsible for determining if and to what extent

Client's use of online pay statements, Forms W2, Forms 1099 or Forms 1095-C, as applicable, satisfies Client's obligations under applicable laws and the consequences resulting from such determinations.

- 3.4. Data Protection Laws.** Client represents that Personal Information transferred by Client or at Client's direction to ADP has been collected in accordance with applicable privacy laws, and ADP agrees that it shall only process the Personal Information as needed to perform the Services, or as required or permitted by law.

#### 4 Confidentiality

- 4.1 General.** All Confidential Information disclosed under this Agreement will remain the exclusive and confidential property of the disclosing party. The receiving party will not disclose to any third party the Confidential Information of the disclosing party and will use at least the same degree of care, discretion and diligence in protecting the Confidential Information of the disclosing party as it uses with respect to its own confidential information. The receiving party will limit access to Confidential Information to its employees with a need to know the Confidential Information and will instruct those employees to keep such information confidential. ADP may disclose Client's Confidential Information on a need to know basis to (i) ADP's subcontractors who are performing the Services, provided that ADP shall remain liable for any unauthorized disclosure of Client's Confidential Information by those subcontractors, (ii) employees of ADP's Affiliates, provided such employees are instructed to keep the information confidential as set forth in this Agreement and (iii) social security agencies, tax authorities and similar third parties, to the extent strictly necessary to perform the Services. ADP may use Client's and its employees' and other Services recipients' information in an aggregated, anonymized form, such that neither Client nor such person may be identified, and Client will have no ownership interest in such aggregated, anonymized data. Client authorizes ADP to release employee-related data, and such other data as required to perform the Services, to third party vendors of Client as designated by Client from time to time. Notwithstanding the foregoing, the receiving party may disclose Confidential Information (x) to the extent necessary to comply with any law, rule, regulation or ruling applicable to it, (y) as appropriate to respond to any summons or subpoena or in connection with any litigation and (z) to the extent necessary to enforce its rights under this Agreement.
- 4.2 Return or Destruction.** Upon the request of the disclosing party or upon the expiration or earlier termination of this Agreement, and to the extent feasible, the receiving party will return or destroy all Confidential Information of the disclosing party in the possession of the receiving party, provided that each party may maintain a copy if required to meet its legal or regulatory obligations and may maintain archival copies stored in accordance with regular computer back-up operations. To the extent that any portion of Confidential Information of a disclosing party remains in the possession of the receiving party, such Confidential Information shall remain subject to the generally applicable statutory requirements and the confidentiality protections contained in Section 4.1.
- 4.3 Transfer.** The Services may be performed by ADP Affiliates or subcontractors located in other countries, and ADP may transfer or permit access to Client's Confidential Information, including employees' Personal Information, for the purposes of performing the Services outside of Canada and the United States of America. As a result, Client's employees' Personal Information may be subject to the laws of such jurisdictions and may be accessible to the courts and law enforcement authorities of those jurisdictions. Notwithstanding the foregoing, ADP will remain responsible for any unauthorized disclosure or access of Client's employees' Personal Information by any ADP Affiliate or subcontractor in the performance of any such Services.

#### 5 Intellectual Property

- 5.1 Client IP Rights.** Except for the rights expressly granted to ADP in this Agreement, all rights, title and interests in and to Client Content, including all Intellectual Property Rights inherent therein and pertaining thereto, are owned exclusively by Client or its licensors. Client hereby grants to ADP for the term of this Agreement a non-exclusive, worldwide, non-transferable, royalty-free license to use, edit, modify, adapt, translate, exhibit, publish, reproduce, copy and display the Client Content for the sole purpose of performing the Services; provided Client has the right to pre-approve the use by ADP of any Client trademarks or service marks.
- 5.2 ADP IP Rights.** Except for the rights expressly granted to Client in this Agreement, all rights, title and interest in and to the Services, including all Intellectual Property Rights inherent therein and pertaining thereto, are owned exclusively by ADP or its licensors. ADP grants to Client for the term of this Agreement a personal, non-exclusive, non-transferable, royalty-free license to use and access the ADP Application Programs solely for the Internal Business Purposes in the Approved Countries and the Access Countries. The ADP Application Programs do not include any Client-specific customizations unless otherwise agreed in writing by the parties. Client will not obscure, alter or remove any copyright, trademark, service mark or proprietary rights notices on any materials provided by ADP in connection with the Services, and will not copy, decompile, recompile, disassemble, reverse engineer, or make or distribute any other form of, or any derivative work from, such ADP materials.
- 5.3 Ownership of Reports.** Client will retain ownership of the content of reports and other materials that include Client Content produced and delivered by ADP as a part of the Services, provided that ADP will be the owner of the format of such reports. To the extent any such reports or other materials incorporate any ADP proprietary information, ADP (i) retains sole ownership of such proprietary information and (ii) provides the Client a fully paid up, irrevocable, perpetual, royalty-free license to access and use same for its Internal Business Purposes without the right to create derivative works (other than derivative works to be used solely for its Internal Business Purposes) or to further distribute any of the foregoing rights outside the Client Group.
- 5.4 Improvements.** ADP will make available to Client, at no additional cost, software improvements, enhancements, or updates to any ADP Application Programs that are included in the Services (collectively "Improvements") if and as they are made generally available by ADP at no additional cost to ADP's other clients using the same ADP Application Programs as

Client and receiving the same Services as Client. All Improvements provided under this Section 5.4 shall be considered part of the ADP Application Programs.

## 6 Indemnities

- 6.1 ADP Indemnity.** Subject to the remainder of this Section 6.1, and Section 6.3 and 7, ADP shall defend Client in any suit or cause of action, and indemnify and hold Client harmless against any damages payable to any third party in any such suit or cause of action, alleging that the Services or ADP Application Programs, as provided by ADP and used in accordance with the terms of this Agreement, infringe upon any Intellectual Property Rights of a third party in an Approved Country. The foregoing infringement indemnity will not apply and ADP will not be liable for any damages assessed in any cause of action to the extent resulting from a Client Infringement Event or ADP's use of Client Content as contemplated by this Agreement. If any Service is held or believed to infringe on any third-party's Intellectual Property Rights, ADP may, in its sole discretion, (i) modify the Service to be non-infringing, (ii) obtain a license to continue using such Service, or (iii) if neither (i) nor (ii) are practical, terminate this Agreement as to the infringing Service.
- 6.2 Client Indemnity.** Subject to Sections 6.3 and 7, Client will defend ADP against any third party claims and will indemnify and hold ADP harmless from any resulting damage awards or settlement amounts in any cause of action to the extent such cause of action is based on the occurrence of a Client Infringement Event or ADP's use of Client Content as contemplated by this Agreement.
- 6.3 Indemnity Conditions.** The indemnities set forth in this Agreement are conditioned on the following: (i) the party claiming indemnification (the "Indemnitee") shall promptly notify the indemnifying party (the "Indemnitor") of any matters in respect of which it seeks to be indemnified, and shall give the Indemnitor full cooperation and opportunity to control the response thereto and the defense thereof, including without limitation any settlement thereof, (ii) the Indemnitor shall have no obligation for any claim under this Agreement if the Indemnitee makes any admission, settlement or other communication regarding such claim without the prior written consent of the Indemnitor, which consent shall not be unreasonably withheld, and (iii) the Indemnitee's failure to promptly give notice to the Indemnitor shall affect the Indemnitor's obligation to indemnify the Indemnitee only to the extent the Indemnitor's rights are materially prejudiced by such failure. The Indemnitee may participate, at its own expense, in such defense and in any settlement discussions directly or through counsel of its choice.

## 7 Limit on Liability

- 7.1 Ordinary Cap.** Notwithstanding anything to the contrary in this Agreement and subject to the remainder of this Section 7, neither party's aggregate limit on monetary damages in any calendar year shall exceed an amount equal to six (6) times the average ongoing monthly Services fees paid or payable to ADP by Client during such calendar year (the "Ordinary Cap"). ADP will issue Client a credit(s) equal to the applicable amount and any such credit(s) will be applied against subsequent fees owed by Client.
- 7.2 Extraordinary Cap.** As an exception to Section 7.1, if damages (monetary or otherwise) arise from a breach of Section 4.1 (Confidentiality) or Section 9.3 (Data Security), the Ordinary Cap will be increased by an additional six (6) times the average ongoing monthly Service fees paid or payable to ADP by Client during such calendar year (the "Extraordinary Cap"). For the avoidance of doubt, in no case shall either party's aggregate limit on monetary damages in any calendar year under this Agreement exceed twelve (12) times the average monthly ongoing Service fees paid or payable to ADP by Client during such calendar year.
- 7.3 Matters not Subject to Either Cap.** The limitations of liability set forth in Sections 7.1 and 7.2 shall not apply to:
- 7.3.1** Either party's Gross Negligence, or willful, criminal or fraudulent misconduct; for the purposes of this Agreement, "Gross Negligence" shall be defined as: (1) willful, wanton, careless or reckless conduct, misconduct, failures, omissions, or disregard of the duty of care towards others of a risk known or so obvious that the actor must be taken to have been aware of it, and with an intent to injure or so great as to make it highly probable that harm would follow and/or (2) failure to use even the slightest amount of care, or conduct so reckless, as to demonstrate a substantial lack of concern for the safety of others. For the avoidance of doubt, Gross Negligence must be more than any mere mistake resulting from inexperience, excitement, or confusion, and more than mere thoughtlessness or inadvertence or simple inattention;
  - 7.3.2** The infringement indemnity set forth in Sections 6.1 and 6.2;
  - 7.3.3** Client's obligations to pay the fees for Services;
  - 7.3.4** ADP's obligations to provide credit monitoring and notifications as set forth in Section 10.2;
  - 7.3.5** Client's funding obligations in connection with the Payment Services;
  - 7.3.6** ADP's loss or misdirection of Client funds in possession or control of ADP due to ADP's error or omission;
  - 7.3.7** In connection with the ADP Employment Tax Services, (a) interest charges imposed by an applicable tax authority on Client for the failure by ADP to pay funds to the extent and for the period that such funds were held by ADP and (b) all tax penalties resulting from ADP's error or omission in the performance of such Service. The provisions of this Section 7.3.7 shall only apply if (x) Client permits ADP to act on Client's behalf in any communications and negotiations with the applicable taxing authority that is seeking to impose any such penalties or interest and (y) Client assists ADP as reasonably required by ADP.
  - 7.3.8** Client's use or access of the Services and/or ADP Application Programs outside of the Approved Countries and/or Access Countries.
- 7.4 Mitigation of Damages.** ADP and Client will each use reasonable efforts to mitigate any potential damages or other adverse consequences arising from or relating to the Services.
- 7.5 No Consequential Damages.** NOTWITHSTANDING ANYTHING TO THE CONTRARY IN THIS AGREEMENT AND ONLY TO THE EXTENT PERMITTED BY APPLICABLE LAW, NONE OF ADP, CLIENT OR ANY BANK WILL BE RESPONSIBLE FOR SPECIAL, INDIRECT, INCIDENTAL, CONSEQUENTIAL OR OTHER SIMILAR DAMAGES



(INCLUDING DAMAGES FOR LOSS OF BUSINESS OR PROFITS, BUSINESS INTERRUPTIONS OR HARM TO REPUTATION) THAT ANY OTHER PARTY OR ITS RESPECTIVE AFFILIATES MAY INCUR OR EXPERIENCE IN CONNECTION WITH THIS AGREEMENT OR THE SERVICES, HOWEVER CAUSED AND UNDER WHATEVER THEORY OF LIABILITY, EVEN IF SUCH PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. The foregoing exclusion shall not apply to claims for consequential damages arising from ADP's or Client's (i) willful, criminal or fraudulent misconduct, or (ii) breach or breaches of Section 4.1 or Section 9.3 under this Agreement; provided however, that any consequential damages recovered by Client or ADP in a calendar year for claims pursuant to Section 7.5(ii) will be subject to the Extraordinary Cap set forth in Section 7.2 above.

## 8 Warranties and Disclaimer

- 8.1 Warranties.** Each party warrants that (i) it has full corporate power and authority to execute and deliver this Agreement and to consummate the transactions contemplated hereby and (ii) this Agreement has been duly and validly executed and delivered and constitutes the valid and binding agreement of the parties, enforceable in accordance with its terms.
- 8.2 DISCLAIMER.** EXCEPT AS EXPRESSLY SET FORTH IN THIS AGREEMENT, ALL SERVICES, ADP APPLICATION PROGRAMS AND EQUIPMENT PROVIDED BY ADP OR ITS SUPPLIERS ARE PROVIDED "AS IS" AND ADP AND ITS LICENSORS AND SUPPLIERS EXPRESSLY DISCLAIM ANY WARRANTY, EITHER EXPRESS OR IMPLIED, INCLUDING WITHOUT LIMITATION, ANY IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, COMPLETENESS, CURRENTNESS, NON-INFRINGEMENT, NON-INTERRUPTION OF USE, AND FREEDOM FROM PROGRAM ERRORS, VIRUSES OR ANY OTHER MALICIOUS CODE, WITH RESPECT TO THE SERVICES, THE ADP APPLICATION PROGRAMS, ANY CUSTOM PROGRAMS CREATED BY ADP OR ANY THIRD-PARTY SOFTWARE DELIVERED BY ADP AND RESULTS OBTAINED THROUGH THE USE THEREOF.

## 9 Security and Controls

- 9.1 Service Organization Control Reports.** Following completion of implementation of any applicable Services, ADP will, at Client's request and at no charge, provide Client with copies of any routine Service Organization Control 1 reports ("SOC 1 Reports") (or any successor reports thereto) directly related to the core ADP Products utilized to provide the Services provided hereunder for Client and already released to ADP by the public accounting firm producing the report. SOC 1 Reports are ADP Confidential Information and Client will not distribute or allow any third party (other than its independent auditors) to use any such report without the prior written consent of ADP. Client will instruct its independent auditors or other approved third parties to keep such report confidential and Client will remain liable for any unauthorized disclosure of such report by its independent auditors or other approved third parties.
- 9.2 Business Continuity; Disaster Recovery.** ADP has established and will maintain a commercially reasonable business continuity and disaster recovery plan and will follow such plan.
- 9.3 Data Security.** ADP has established and will maintain an information security program containing appropriate administrative, technical and physical measures to protect Client data (including any Personal Information therein) against accidental or unlawful destruction, alteration, unauthorized disclosure or access consistent with applicable laws. In the event ADP suspects any unauthorized access to, or use of, the Services, ADP may suspend access to the Services to the extent ADP deems necessary to preserve the security of the Client's data.

## 10 Data Security Incident

- 10.1 Notification.** If ADP becomes aware of a security breach (as defined in any applicable law) or any other event that compromises the security, confidentiality or integrity of Client's Personal Information (an "Incident"), ADP will take appropriate actions to contain, investigate and mitigate the Incident. ADP shall notify Client of an Incident as soon as reasonably possible.
- 10.2 Other ADP Obligations.** In the event that an Incident is the result of the failure of ADP to comply with the terms of this Agreement, ADP shall, to the extent legally required or otherwise necessary to notify the individuals of potential harm, bear the actual, reasonable costs of notifying affected individuals. ADP and Client shall mutually agree on the content and timing of any such notifications, in good faith and as needed to meet applicable legal requirements. In addition, where notifications are required and where such monitoring is practicable and customary, ADP shall also bear the cost of one year of credit monitoring to affected individuals in applicable jurisdictions.

## 11 Payment Terms

- 11.1 Fees and Fee Adjustments.** Client will pay to ADP the fees and other charges for the Services at the rates set forth in the Executive Pricing Summary for the first (1st) year of the Initial Term. During the remainder of the Initial Term, ADP will increase fees on an annual basis based on the Consumer Price Index (CPI), All Urban Consumers, Not Seasonally Adjusted, U.S. City Average, All Items as published by the United States Bureau of Labor Statistics, Series ID: CUUR0000SA0, provided any such fee increase shall never be less than zero percent (0%) or greater than four percent (4%). Total fees charged, including within the Initial Term, may change commensurate with the number of Client's employees being serviced. The fees presented in the Executive Pricing Summary were calculated based upon particular assumptions relative to Client requirements (including funding requirements), specifications, volumes and quantities as reflected in the applicable Executive Pricing Summary and related documentation, and if Client's actual requirements vary from what is stated, ADP may adjust the fees based on such changes. The fees do not include any customizations to any Service. ADP may increase prices for Services at any time after the Initial Term upon at least thirty (30) days prior written notice to Client.
- 11.2 Additional Services and Charges.** If Client requests additional services offered by ADP not included in this Agreement, and ADP agrees to provide such services: (i) those services and related fees will be included in a separate Executive Pricing

Summary; (ii) any Services provided to Client but not included in the Executive Pricing Summary will be provided subject to the terms of this Agreement and charged at the applicable rates as they occur; and (iii) those services will be considered to be "Services" for purposes of this Agreement. Additional charges may be assessed Client in relation to the performance of the Services in certain circumstances, including without limitation, late funding, an insufficient funds notification and emergency payment requests from Client.

- 11.3 Fees for Implementation Services.** Implementation fees are due and payable by Client when billing begins for the Services in accordance with Section 11.4. Client shall pay ADP for additional Implementation Services added by Client after the Effective Date at ADP's then prevailing rates for such Implementation Services. If necessary, the parties shall further define the scope and process for Implementation Services in an Implementation Services statement of work.
- 11.4 Invoicing.** Client will be invoiced for fees on a monthly billing cycle. Billing for Implementation Fees shall begin during the monthly billing cycle following the Effective Date and shall be billed in four (4) monthly installments. Billing for Services shall begin starting the monthly billing cycle following the date that Client is first able to use any of the Services in a live production environment. ADP will notify Client of all applicable Services fees payable by Client by way of invoice or other method (i.e. ADP's on-line reporting tool). Client will pay all invoices in full via direct debit of funds within seven (7) days of the invoice date. All amounts not paid when due are subject to a late payment charge of one and one-half percent (1½%) per month (not to exceed the maximum allowed by applicable law) of the past due amount from the due date until the date paid. In the event the Client is unable to go live on any Service by the date to be formalized pursuant to the implementation plan ("Go-Live Date") and such delay is primarily caused by Client, then ADP shall be entitled to commence billing for such Services one month after the agreed upon Go-Live Date. Notwithstanding the foregoing, in the event the Go Live Date is delayed by more than nine (9) months by the Client, ADP shall have the discretion to impose the Buy-Out Fee set forth in Section 12.4 below.
- 11.5 Currency.** Client shall pay the fees in US dollars.
- 11.6 Taxes.** Unless Client provides ADP a valid tax exemption or direct pay certificate, Client will pay directly, or will pay to ADP, an amount equal to all applicable taxes or similar fees levied or based on the Agreement or the Services, exclusive of taxes based on ADP's net income.
- 11.7 Postage, Shipping Travel and out-of-pocket expenses.** ADP will invoice Client for postage charges, delivery charges, other third party charges, and reasonable travel and out-of-pocket expenses as necessary to provide the Services.
- 11.8 Funding Requirements and Disbursement Disclosures.** With respect to Payment Services to be deducted by ACH or Pre-Authorized Debit, Client must have sufficient good funds for payment of the payroll obligations, tax filing obligations, wage garnishment deduction obligations, service fees (as applicable), expenses, and any other applicable charges, to be direct debited from Client's designated account no later than one (1) banking day prior to the pay date for the applicable payroll (in the case of payroll processing services), or as otherwise agreed by the parties. For reverse wire clients, funds must be available (a) one (1) banking day prior to the pay date for the applicable payroll (in the case of the ADP Employment Tax Services) and (b) two (2) banking days prior to the pay date for all other Payment Services, or as otherwise agreed by the parties. In consideration for the additional costs incurred by ADP in providing wire transfer service, Client agrees to pay a reasonable fee (currently \$10.00) for each wire transfer. Notwithstanding the foregoing, ADP reserves the right to modify the aforementioned deadlines at any time and will communicate any such modifications to Client.

## 12 Term; Termination; Suspension

- 12.1 Term.** This Agreement is effective for the Initial Term and will automatically renew at the end of any Term for additional Renewal Terms unless terminated by either party upon written notice given at least ninety (90) days prior to the end of such Term.
- 12.2 Termination for Cause.** Either party may terminate this Agreement for the other's material breach of this Agreement if such breach is not cured within sixty (60) days following notice thereof or in the event either party is the subject of a Termination Event. In addition, ADP may immediately suspend or terminate the Services or the Agreement in its entirety in the event (a) Client fails to timely pay fees for Services performed within ten (10) days following notice that such fees are past due or (b) the provision of Services to Client causes or will cause ADP or any affiliate to be in violation of any laws, rules or regulations applicable to it, including any sanction laws applicable to ADP or any Affiliate..
- 12.3 Suspension.** Without limiting the foregoing, the parties agree that Payment Services involve credit risk to ADP. Payment Services may be suspended by ADP (A) immediately if: (i) Client has failed to remit sufficient, good and available funds within the deadline and via the method of delivery agreed upon as it relates to the applicable Payment Services; or (ii) Client breaches any rules promulgated by NACHA as it relates to ADP conducting electronic payment transactions on behalf of Client, and (B) with twenty-four (24) hour notice if: (i) a bank notifies ADP that it is no longer willing to originate debits from Client's account(s) or credits for Client's behalf for any reason or (ii) the authorization to debit Client's account is terminated or ADP reasonably believes that there is or has been fraudulent activity on the account. If the Payment Services are terminated or suspended pursuant to Sections 12.2 or 12.3, Client acknowledges that ADP shall be entitled to allocate any funds in ADP's possession that have been previously remitted or otherwise made available by Client to ADP relative to the Payment Services in such priorities as ADP may determine appropriate, including reimbursing ADP for payments made by ADP on Client's behalf to a third party. If the Payment Services are terminated by ADP, Client understands that it will (x) immediately become solely responsible for all of Client's third party payment obligations covered by the Payment Services then or thereafter due (including, without limitation, for ADP Employment Tax Services any and all penalties and interest accruing after the date of such termination, other than penalties and interest for which ADP is responsible under Section 7.3.7), and (y) reimburse ADP for all payments properly made by ADP on behalf of Client to any payee, which have not been paid or reimbursed by Client. If the Payment Services remain suspended for thirty (30) days, the Payment Services will be terminated on the thirty-first (31<sup>st</sup>) day following suspension.

- 12.4 Early Termination; Buy Out Fee.** In order for ADP to recoup certain costs associated with the Services provided under the Agreement in the event of an early termination, if Client terminates Services or the Agreement in whole or in part for convenience or ADP terminates Agreement pursuant to Section 12.2 or 12.3 above, Client will reimburse ADP for its costs (including unamortized investments and any costs incurred that have not been recovered from fees charged) associated with the termination of the Services as a percentage of the estimated aggregate ongoing fees for Services (the "**Buy Out Fee**"). The Buy Out Fee shall be equal to fifty percent (50%) of A multiplied by B where A equals the number of months remaining in the Term, as of the effective date of termination, and B equals the average monthly fee for the terminated Services. If monthly fees for Services have not been payable at the time of termination, B above shall be equal to the estimated monthly fees that would have been payable under the Agreement. In the case of a partial termination, ADP may adjust the fees for the remaining Services accordingly. Client shall also pay the Buy Out Fee in the event of any reduction in Client's volume or usage of Services by more than fifty percent (50%).
- 12.5 Additional Termination Provisions for Employment Verification Services.** ADP may, in its sole discretion, terminate the Employment Verification Services at any time upon ninety (90) days prior written notice to Client should a Verification Agent notify ADP that it is no longer willing to provide the Employment Verification Services and ADP, after taking commercially reasonable steps, cannot engage a successor Verification Agent.
- 12.6 Post Termination.** At any time prior to the actual termination date, Client may download Client's information or reports available to it in conjunction with all of the Services provided to Client by ADP. Upon termination of this Agreement, Client may order from ADP any data extraction offered by ADP, at the then prevailing hourly time and materials rate.

**13 Reserved.**

- 14 Additional Terms.** In addition to the terms set forth in any subsequent Annexes attached hereto, the following terms shall apply (except as otherwise noted).

- 14.1 Payroll Services.** Administration and processing of payroll including performing gross-to-net calculations and generating and/or transmitting of payment instructions, and also including:

- 14.1.1 ADP Wage Payment Services.** Payment of wages, commissions, consulting fees, or similar compensation or work-related expenses in the employment context to employees and independent contractors via direct deposit, check, or payroll debit cards, in each case to the extent the method of payment delivery is in scope, and online posting of pay statements to the extent applicable. Such services may be provided via ADPCheck Services, ADP Direct Deposit Services, Payroll Card Services and Wisely Now Services (if Client purchases Payroll Card Services and/or Wisely Now Services, then the additional terms in Annex J shall apply to such services). The following additional terms and conditions apply to the ADP Wage Payment Services:

- 14.1.1.1 Client Credentialing.** Client understands and acknowledges that the implementation and ongoing provision of Payment Services are conditioned upon Client passing (and continuing to pass) a credentialing process that ADP may deem necessary in connection with the provision of Payment Services.

- 14.1.1.2 Additional Requirements.** Payment Services may be subject to the rules and standards of any applicable clearing house, payment and/or card networks or associations. Client and ADP each agree to comply with all such rules and standards applicable to it with respect to the Payment Services.

- 14.1.1.3 Funding Obligations.** Client acknowledges that ADP is not a lender. As such, as a condition to receiving services, Client will remit or otherwise make available to ADP sufficient, good and available funds within the agreed-to deadline and via the agreed-to method of delivery to satisfy all of Client's third-party payment obligations covered by the Agreement. ADP will apply such funds to satisfy such third-party payment obligations. ADP will not be required to provide Payment Services if ADP has not received all funds required to satisfy Client's third-party payment obligations. Client will immediately notify ADP if it knows or should know that it will not have sufficient funds to satisfy the amounts required in connection with the Payment Services. If Client has a material adverse change in its condition, ADP may modify the funding method or deadline by which funds must be made available to ADP for payment to Payees. Client agrees to pay to ADP upon demand any amounts that have been paid by ADP to satisfy Client's third party payment obligations prior to receiving such amounts from Client.

- 14.1.1.4 Investment Proceeds; Commingling of Client Funds.** IF ADP RECEIVES CLIENT'S FUNDS IN ADVANCE OF THE TIME ADP IS REQUIRED TO PAY SUCH FUNDS TO THIRD PARTIES, ALL AMOUNTS EARNED ON SUCH FUNDS, IF ANY, WHILE HELD BY ADP WILL BE FOR THE SOLE ACCOUNT OF ADP. ADP may commingle Client's funds with similar funds from other clients and with similar ADP and ADP-administered funds. ADP utilizes a funds control system that maintains general ledger entries by Client and/or by jurisdiction.

- 14.1.1.5 Recovery of Funds; Stop Payment Requests.** Client agrees to cooperate with ADP and any other third parties to recover funds erroneously issued or transferred to any Payee or credited to any Payee's account. If Client desires to stop payment on any check or to recall or reverse any electronic payment, Client will provide ADP with a stop payment request in the form required by ADP. Client acknowledges that ADP's placement of a stop order request is not a guarantee that such stop payment will occur.

- 14.1.1.6 ADPCheck Services** Payment of wages, commissions, consulting fees, or similar compensation or work-related expenses in the employment context to employees and independent contractors via direct deposit, check, or payroll debit cards, in each case to the extent the method of payment delivery is in scope, and online posting of pay statements to the extent applicable. Such services may be provided via ADPCheck Services, ADP Direct Deposit Services, and Payroll Card Services (if elected additional terms shall apply).



- 14.1.1.7 Full Service Direct Deposit (FSDD).** Prior to the first credit to the account of any employee or other individual under FSDD services, Client shall obtain and retain a signed authorization from such employee or individual authorizing the initiation of credits to such party's account and debits of such account to recover funds credited to such account in error.
- 14.1.2 ADP Employment Tax Services.** Coordination of payroll-related tax and/or regulatory agency deposits, filings, and reconciliations on behalf of employers. The following additional terms and conditions apply to the ADP Employment Tax Services:
- 14.1.2.1 Important Tax Information (IRS Disclosure).** Notwithstanding Client's engagement of ADP to provide the ADP Employment Tax Services in the United States, please be aware that Client remains responsible for the timely filing of payroll tax returns and the timely payment of payroll taxes for its employees. The Internal Revenue Service recommends that employers enroll in the U.S. Treasury Department's Electronic Federal Tax Payment System (EFTPS) to monitor their accounts and ensure that timely tax payments are being made for them, and that online enrollment in EFTPS is available at [www.eftps.gov](http://www.eftps.gov); an enrollment form may also be obtained by calling (800) 555-4477; that state tax authorities generally offer similar means to verify tax payments; and that Client may contact appropriate state offices directly for details.
- 14.1.3 State Unemployment Insurance Management.** Subject to Section 15.7, Client's compliance with its obligations in Sections 14.1.3.1 and 14.1.3.2 herein, and any delays caused by third parties (e.g., postal service, agency system and broker delays) and events beyond ADP's reasonable control, ADP will deliver the State Unemployment Insurance Management Services ("SUI Management Services") within the time periods established by the relevant unemployment compensation agencies.
- 14.1.3.1 Provision of Information; Contesting Claims.** Client will on an ongoing basis provide ADP and not prevent ADP from furnishing all information necessary for ADP to perform the SUI Management Services within the timeframes established or specified by ADP. The foregoing information includes without limitation the claimants' names, relevant dates, wage and separation information, state-specific required information, and other documentation to support responses to unemployment compensation agencies.
- 14.1.3.2 Transfer of Data.** Client may transfer the information described in Section 14.1.3.1 to ADP via: (i) on-line connection between ADP and Client's computer system, or (ii) inbound data transmissions from Client to ADP. Client will provide the data using mutually acceptable communications protocols and delivery methods. Client will promptly notify ADP in writing if Client wishes to modify the communication protocol or delivery method.
- 14.1.3.3** Client acknowledges that ADP is not providing storage or record keeping of Client records as part of the SUI Management Services, and that if the SUI Management Services are terminated, ADP may, in conformity with Section 4 of Annex A, dispose of all such records. If the SUI Management Services are terminated, any access Client has to ADP websites containing Client's data will expire and Client will be responsible for downloading and gathering all relevant data prior to expiration of any such access that may have been granted.
- 14.1.4 Print and Online Statement Services.** Print and distribution of payroll checks, pay statements, and/or year-end statements, as well as online posting of pay statements and/or year-end statements.
- 14.1.5 Wage Garnishment Payment Services.** Garnishment payment processing and disbursement of payments to appropriate payees as directed by Client.
- 14.1.5.1 Description of Services.** ADP will act solely in the capacity of a third party service provider of payment processing.
- 14.1.5.2 Client's Use of Services.** Client agrees not to distribute any ADP Checks to Payees in a manner that would allow Payees to access the associated funds before pay date.
- 14.1.6 Employment Verification Services.** If Client desires to receive and has not otherwise opted out and ADP agrees to provide Employment Verification Services then the following additional terms and conditions shall apply:
- 14.1.6.1 Verification Services and Authorization as Agent.**
- 14.1.6.1.1** ADP currently provides the Employment Verification Services through The Work Number®, an Equifax Workforce Solutions service though ADP reserves the right to provide them through another entity (each, a "Verification Agent"). Notwithstanding anything to the contrary in Section 4.1 of Annex A, Client authorizes ADP and its Verification Agents to disclose, on Client's behalf, employment information (including employees' place of employment and employment status) and income information (including total wages per year to date and previous year income) of Client and Client's employees (or former employees) (collectively, "Verification Data"), to commercial, private, non-profit and governmental entities and their agents (collectively, "Verifiers"), who wish to obtain or verify any of Client's employees' (or former employees') Verification Data. Verification Data will be disclosed to Verifiers who certify they are entitled to receive such data (as described below) pursuant to the FCRA, and, in the case of income information requests, who additionally certify they have a record of the employee's consent to such disclosure or who utilize a salary key. In accordance with FCRA, Verification Data may be provided to Verifiers where (i) the employee has applied for a benefit (such as credit, other employment or social services assistance); (ii) the employee has obtained a benefit and the Verifier is seeking to (a) determine whether the employee is qualified to continue to receive the benefit; and/or (b) collect a debt or enforce other obligations undertaken by the employee in connection with the benefit; or (iii) the Verifier is otherwise entitled under FCRA to obtain the Verification Data. In certifying they have a record of the employee's consent, Verifiers generally rely on the employee's signature on the original application as

authorization for the Verifier to access the employee's income data at the time of the application and throughout the life of the obligation. Client understands that Verifiers are charged for commercial verifications processed through ADP or its Verification Agents.

**14.1.6.1.2 Data Quality.** If requested by ADP, Client agrees to work with ADP during implementation to produce a test file and validate the Verification Data included in the Verification Services database using validation reports made available by ADP or its Verification Agents. If Client uses ADP's hosted payroll processing services, ADP will update the Verification Services database with the applicable Verification Data available on ADP's payroll processing system.

**14.1.6.1.3 Notice to Furnishers of Information: Obligations of Furnishers of Information ("Notice to Furnishers").** Client certifies that it has read the Notice to Furnishers provided to Client at the following URL: <https://www.consumer.ftc.gov/articles/pdf-0092-notice-to-furnishers.pdf>. Client understands its obligations as a data furnisher set forth in such notice and under FCRA which include duties regarding data accuracy and investigation of disputes, and certifies it will comply with all such obligations. Client further understands that if it does not comply with such obligations, ADP may correct incorrect Verification Data on behalf of Client or terminate the Employment Verification Services upon ninety (90) days prior written notice to Client.

**14.1.6.1.4 Archival Copies.** Notwithstanding anything to the contrary in Annex A, Client agrees that, after the termination of this Agreement, ADP and its Verification Agents may maintain archival copies of the Verification Data as needed to show the discharge and fulfillment of obligations to Client's employees and former employees and the provisions of Section 4.1 of Annex A will continue to apply during the time that ADP and its Verification Agents maintain any such archival copies.

**14.1.6.2 Client Vendors.** Client will at its own cost make all necessary arrangements with its third party vendors to cause such vendors to send data to and receive data from ADP as required for ADP to provide Essential ACA. Client shall reimburse ADP for any costs ADP is required to bear in connection with or arising out of any such transmissions of data from and/or to such third party vendors.

**14.2. Reserved.**

**14.3 Participant Service Center.** Management of inquiries related to services through ADP service center locations as part of a comprehensive offering.

**14.4 ESS & MSS Technology.** Employee self-service (ESS) and Manager self-service (MSS) functionality provides all Client Users (practitioners, managers and employees) 24x7 online access to ADP Application Programs. The following additional terms apply to the ESS & MSS Technology:

**14.4.1** Client acknowledges that Client's employees or participants may input information into the self-service portions of the ADP Application Programs. ADP shall have no responsibility to verify, nor does ADP review the accuracy or completeness of the information provided by Client's employees or participants to ADP using any self-service features. ADP shall be entitled to rely upon such information in the performance of the Services under this Agreement as if such information was provided to ADP by Client directly.

**14.5 ADP Marketplace.** Enable Client to build applications and/or purchase available applications via online store. Provide access to certain Client data stored in ADP systems via industry-standard Application Programming Interfaces (APIs). The following additional terms apply to the ADP Marketplace (applies only if Client accesses ADP Marketplace Services):

**14.5.1 Transmitting Information to Third Parties.** In the event that Client elects to use an API to provide any Client Content or employee or plan participant information to any third party, Client represents that it has acquired any consents or provided any notices required to transfer such content or information and that such transfer does not violate any applicable international, federal, state, or local laws and/or regulations. ADP shall not be responsible for any services or data provided by any such third party.

**14.5.2 Use of the ADP APIs.** Client will use the ADP APIs to access Client's information only. Client may not use any robot, spider, or other automated process to scrape, crawl, or index the ADP Marketplace and will integrate Client's application with the ADP Marketplace only through documented APIs expressly made available by ADP. Client also agrees that Client will not (a) use the ADP Marketplace or any ADP API to transmit spam or other unsolicited email; (b) take any action that may impose an unreasonable or disproportionately large load on the ADP infrastructure, as determined by ADP; or (c) use the ADP APIs or the ADP Marketplace in any way that threatens the integrity, performance or reliability of the ADP Marketplace, Services or ADP infrastructure. ADP may limit the number of requests that Client can make to the ADP API gateway to protect ADP's system or to enforce reasonable limits on Client's use of the ADP APIs. Specific throttling limits may be imposed and modified from time to time by ADP.

## 15 Miscellaneous

**15.1 Amendment.** This Agreement may not be modified, supplemented or amended, except by a writing signed by the authorized representatives of ADP and Client.

**15.2 Assignment.** Neither this Agreement, nor any of the rights or obligations under this Agreement, may be assigned by any party without the prior written consent of the other party, such consent not to be unreasonably withheld. However, Client may assign any or all of its rights and obligations to any other Client Group member and ADP may assign any or all of its rights and obligations to any Affiliate of ADP, provided that any such assignment shall not release the assigning party from its obligations under this Agreement. This Agreement is binding upon and inures to the benefit of the parties hereto and their respective successors and permitted assigns.

- 15.3 Additional Documentation.** In order for ADP to perform the Services, it may be necessary for Client to execute and deliver additional documents (including reporting agent authorization, client account agreement, limited powers of attorney, etc.) and Client agrees to execute and deliver such additional documents.
- 15.4 Subcontracting.** Notwithstanding Section 15.2, ADP reserves the right to subcontract any or all of the Services, provided that ADP remains fully responsible under this Agreement for the performance of any such subcontractor. For the avoidance of doubt, third parties used by ADP to provide delivery or courier services, including the postal service in any country or any third party courier service, and banking institutions, are not considered subcontractors of ADP.
- 15.5 Entire Agreement.** This Agreement constitutes the entire agreement and understanding between ADP and Client with respect to its subject matter and merges and supersedes all prior discussions, agreements and understandings of every kind and nature between the parties. No party will be bound by any representation, warranty, covenant, term or condition other than as expressly stated in this Agreement. Except where the parties expressly state otherwise in a relevant exhibit, annex, appendix or schedule, in case of conflict or inconsistency between this Annex A and any such exhibit, annex, appendix or schedule, this Annex A will prevail and control. Purchase orders or statements of work submitted to ADP by Client will be for Client's internal administrative purposes only and the terms and conditions contained in any purchase order or statements of work will have no force and effect and will not amend or modify this Agreement.
- 15.6 No Third Party Beneficiaries.** Except as expressly provided herein or in an applicable exhibit, annex, appendix or schedule, nothing in this Agreement creates, or will be deemed to create, third party beneficiaries of or under this Agreement. Client agrees that ADP's obligations in this Agreement are to Client only, and ADP has no obligation to any third party (including, without limitation, Client's personnel, directors, officers, employees, Users and any administrative authorities).
- 15.7 Force Majeure.** Any party to this Agreement will be excused from performance of its obligations under this Agreement, except for Client's obligation to pay the fees to ADP pursuant to Section 11, for any period of time that the party is prevented from performing its obligations under this Agreement due to an act of God, war, earthquake, civil disobedience, court order, labor disputes or disturbances, governmental regulations, communication or utility failures or other cause beyond the party's reasonable control. Such non-performance will not constitute grounds for breach.
- 15.8 Waiver.** The failure by any party to this Agreement to insist upon strict performance of any provision of this Agreement will not constitute a waiver of that provision. The waiver of any provision of this Agreement shall only be effective if made in writing signed by the authorized representatives of ADP and Client and shall not operate or be construed to waive any future omission or breach of, or compliance with, any other provision of this Agreement.
- 15.9 Headings.** The headings used in this Agreement are for reference only and do not define, limit, or otherwise affect the meaning of any provisions hereof.
- 15.10 Severability.** If any provision of this Agreement is finally determined to be invalid, illegal or unenforceable by a court of competent jurisdiction, the validity, legality or enforceability of the remainder of this Agreement will not in any way be affected or impaired and such court shall have the authority to modify such invalid, illegal or unenforceable provision to the extent necessary to render such provision valid, legal or enforceable, preserving the intent of the parties to the furthest extent permissible.
- 15.11 Relationship of the Parties.** The performance by ADP of its duties and obligations under this Agreement will be that of an independent contractor and nothing contained in this Agreement will create, construe or imply an agency, joint venture, partnership or fiduciary relationship of any kind between ADP and Client. None of ADP's employees, agents or subcontractors will be considered employees, agents or subcontractors of Client. Unless expressly stated in this Agreement, none of ADP, its employees, agents or its subcontractors may enter into contracts on behalf of, bind, or otherwise obligate Client in any manner whatsoever.
- 15.12 Governing Law.** This Agreement is governed by the laws of the State of Florida without giving effect to its conflict of law provisions.
- 15.13 Jurisdiction.** Any disputes that may arise between ADP and Client regarding the performance or interpretation of this Agreement shall be subject to the exclusive jurisdiction of the state and federal courts of the non-moving party. The parties hereby irrevocably consent to the exclusive jurisdiction of the state and federal courts of the non-moving party and waive any claim that any proceedings brought in such courts have been brought in an inconvenient forum. THE PARTIES HEREBY IRREVOCABLY WAIVE THEIR RIGHT TO TRIAL BY JURY.
- 15.14 Communications Regarding Offers.** In connection with the Services, with the exception of employees and/or participants outside of the United States, ADP may from time to time identify products and/or services that will benefit Client's employees and/or participants (collectively, "Offers"). In order to extend such Offers to Client's employees and/or participants, Clients agrees that ADP may use Client's employee and participant contact information, including email addresses for such purpose. Upon thirty days' prior written notice, Client may elect for ADP to cease sending future Offers to its employees and/or participants. In addition, each communication sent by ADP will comply with applicable laws and will enable the recipient to opt-out of receiving additional Offers from ADP.
- 15.15 Counterparts.** This Agreement may be signed in two or more counterparts by original, .pdf (or similar format for scanned copies of documents) or facsimile signature, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.
- 15.16 Notices.** All notices required to be sent or given under this Agreement will be sent in writing and will be deemed duly given and effective (i) immediately if delivered in person, or (ii) upon confirmation of signature recording delivery, if sent via an internationally recognized overnight courier service with signature notification requested to Client at the address indicated on the signature page hereof and to ADP at 5800 Windward Parkway, Alpharetta, GA 30005, Attention: ADP Comprehensive Services SVP, or to any other address a party may identify in writing from time to time. A copy (which shall not constitute notice) of all such notices shall be sent to ADP at One ADP Boulevard, MS 425, Roseland, New Jersey 07068, Attention: General Counsel and to Client at the address indicated on the signature page hereof.



**15.17 Survival.** Those provisions which by their content are intended to, or by their nature would, survive the performance, termination, or expiration of this Agreement, shall survive termination or expiration of this Agreement.

**15.18 Public Records.** To the extent that Client is a "Public agency" as defined in 119.0701(1)(b) of the Florida Statutes, and ADP is a "Contractor" as defined in Section 119.0701(1)(a) of the Florida Statutes, ADP shall comply with Florida public records laws (as applicable), specifically to:

- (a) Keep and maintain documents which are required for ADP to perform the Services for Client under this Agreement, which are also Client's public records;
- (b) Upon request from the Client or its designee, provide the Client with a copy of the available requested records within a reasonable time at a cost that does not exceed the cost provided in Chapter 119, Florida Statutes, or as otherwise provided by law.
- (c) Ensure that public records that are exempt or confidential and exempt from public records disclosure requirements are not disclosed except as authorized by law.
- (d) Meet all requirements for retaining public records and transfer, at no cost, to the Client, all public records in possession of ADP upon expiration, or termination, of this Agreement and destroy any duplicate public records that are exempt or confidential and exempt from public records disclosure requirements. All records stored electronically must be provided to the Client, upon request from the Client or its designee, in a format that is compatible with the information technology systems of the Client and such format shall be mutually agreed upon by ADP and Client.

Client's sole and exclusive remedy for ADP's breach of this Section shall be the termination of this Agreement. If ADP has questions regarding the application of Chapter 119, Florida Statutes, to the Contractor's duty to provide public records relating to this Agreement, contact the Client's Custodian of Public Records or its designee at JEA, attention (Contact Name) at (insert phone number), (insert email) 21 West Church Street, Jacksonville, FL 32202.

**SCHEDULE 1 TO ANNEX A**  
**ADP Comprehensive Services**  
**Statements of Services**

Services	Service Specifics	Roles and Responsibilities
<b>Solutions Platform</b>		
Non ADP HR Application ( System of Record)	Provide HR application to all applicable employees and managers. This includes all security access required to set up employees. This also includes all software and hardware required to support the application. All software updates and system configuration requirements that are required as updates are released. All applicable federal, state, and local tax requirements and union contracts that require configuration updates.	<p>Client will provide all necessary training and documentation to the employees and managers that may be required.</p> <p>Note: Client will be responsible for all file formatting configuration changes that may be required based upon WFN application updates that impact all import files.</p> <p>Client agrees to have technical resources assigned to configure the files necessary to import into ADP's WFN application.</p> <p>Client agrees to have a technical resource available for ongoing maintenance and troubleshooting required for processing payroll in a timely manner.</p>
ADP Workforce Now ("WFN")	WFN is ADP's trademarked, branded, web-based payroll. WFN serves as the access point for all Client administrators, employees and managers. General information about ADP WFN can be found at <a href="http://www.productdescription.majoraccounts.adp.com">www.productdescription.majoraccounts.adp.com</a> (which may be modified from time to time).	
WFN Technology Support	Access to specialists to support Client in use of WFN technology solutions.	
<b>Implementation</b>		
Implementation – Project Manager	The ADP Project Manager is responsible for the overall Comprehensive Services technology implementation and as such creates and maintains a project plan during implementation. The Project Manager conducts an implementation planning meeting to review the multi-faceted implementation, holds regular status meetings with the entire project team (Client, ADP, and external assigned resources) and manages deliverables accordingly.	The Project Manager provides cross product guidance for the duration of implementation and introduces the training curriculum to Client. The Project Manager directs the team of ADP implementation specialists and consultants who work on the multi-faceted implementation required for Client to go live on ADP Comprehensive Services, including WFN.
Implementation -- Assignment of a dedicated ADP Relationship Manager	<p>The ADP Relationship Manager participates in implementation and partners with the Project Manager to complete the Implementation.</p> <p>The ADP Relationship Manager:</p> <ul style="list-style-type: none"> <li>Schedules onsite visit for Client's strategic analysis during or immediately after implementation kickoff meeting.</li> <li>Schedules planning meeting to introduce Client's managers and employees to WFN portal and self-service functionality.</li> </ul>	<p>The ADP Relationship Manager acts as a business consultant during the implementation process and performs business analysis.</p> <p>Client is responsible for validating the accuracy of all converted data.</p> <p>Client will attend all necessary implementation meetings and provide timely feedback as requested.</p>





	<ul style="list-style-type: none"><li>• Coordinates and schedules Employee/Manager Self Service Launch Meeting and distribution of Welcome Kits. Develops Client Strategic Action Plan for additional services to help assure alignment of Services with Client strategic direction and business drivers in all related functional areas.</li></ul>	
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Services	Service Specifics	Roles and Responsibilities
<b>Implementation</b>		
Set-up of Payroll Module,	<p>Implementation includes all activities needed to complete set-up of the Payroll (the "Module") including the following:</p> <ul style="list-style-type: none"> <li>• Implementation of all outsourcing services listed in this Statement of Service.</li> <li>• Scheduling and planning all implementation meetings.</li> <li>• Coordinating the collection of implementation service questionnaires.</li> <li>• Setting-up the Module(s) based on Client's requirements.</li> <li>• Collecting all relevant payroll information and loading it into the Module.</li> </ul> <p>Client must provide all data (e.g., corporate information, payroll data, including current personal and work data) in a format required by ADP.</p> <p>ADP will determine Client and ADP's readiness to go live based on completion of key deliverables and success of data gathering, conversion and other implementation milestones.</p>	<p>Client is responsible for (i) accurately completing and providing questionnaires to ADP's implementation team in a timely manner; (ii) providing all payroll data; (iii) providing any documents and materials needed to complete employee access set-up; (iv) providing all data in a predefined format required by ADP; (v) reviewing all information in the Module for accuracy; and (v) all fees related to travel. Failure to meet these requirements may impact the date upon which Client may access the Services.</p> <p>Client is responsible for validating the accuracy of all imported Client data during implementation.</p> <p>Client's implementation team will determine Client's readiness to start implementation and assign Client its implementation team members. The make-up of Client's implementation team may vary according to the number of complementary products or services purchased. Client's implementation team will coordinate with the service team and Client's designated team members to ensure all requirements are understood and will assist in the transition to service.</p>





Services	Service Specifics	Roles and Responsibilities
<b>Implementation</b>		
Interfaces - Payroll Interfaces, Custom Interfaces	<p>Client may require payroll or other custom interfaces in order to electronically transmit data, including but not limited to employee payroll data, certain HR and other demographic employee data, etc., to designated third parties authorized by Client.</p> <p>The development of such Interfaces shall be at ADP's then current fees for such services and fees shall be depend on the amount of customization required by ADP to create such interfaces. ADP shall provide Client with a statement of work to be executed by the Client and ADP which shall include 1) an outline of the work to be performed and 2) estimate of the cost of the interface prior to its development.</p> <p>An annual maintenance fee shall apply to all interfaces, including Payroll Interfaces and Custom Interfaces.</p>	<p>ADP's construction of interfaces are subject to configuration by Client of the applicable Client Content and the formatting of such transmission to designated third parties.</p> <p>ADP's ability to transmit Client Content is dependent on the agreement by the designated third parties and ADP will not be obligated to transmit data unless the designated third parties have agreed to accept data via the interface.</p>
<b>ADP Personnel – Roles and Responsibilities</b>		
ADP Relationship Manager	<p>The ADP Relationship Manager actively communicates with Client and acts as the primary contact between ADP and Client. Each Client is assigned one (1) ADP Relationship Manager, no matter which Services Client has purchased.</p> <p>The ADP Relationship Manager is actively engaged in understanding Client's business model and project objectives to ensure alignment with Client objectives.</p>	<p>The Relationship Manager focuses on assisting Client achieve its goals and promote alignment with the Comprehensive Services offering.</p> <p>The Relationship Manager is engaged with all levels within the Client organization. They are involved in key client interactions and focused on quality client experience and consultative opportunities. They drive utilization of Services, including applicable technology. The ADP Relationship Manager acts as a client advocate within ADP, escalating issues appropriately within ADP, coordinating with the Client to determine the impact of certain Client business events on the Services, and preparing and presenting regular account reviews.</p> <p>Additionally, the Relationship Manager will coordinate resources for ongoing projects and changes outside of initial implementation and will serve as an escalation point for all ADP products and services received by Client.</p> <p>The Relationship Manager schedules at least an annual review with Client to recap all activities completed on its behalf and discuss goals and objectives for the upcoming years' plan to achieve Client's objectives.</p>



Services	Service Specifics	Roles and Responsibilities
<b>ADP Service Centers</b>		
ADP Service Center (for Client administrators)	Access to a toll free number with Client identification and issue routing via telephony.	ADP provides access to an assigned specialist team that will be Client's primary support resource. ADP will provide standard service center hours 8:00 am to 5:30 pm, Client local time (Clients in Hawaii will have service center access 8:00 am to 5:30 pm PST), Monday through Friday, except for scheduled downtime for training, meetings and ADP-recognized company holidays. Such scheduled downtime shall not exceed two percent (2%) of available hours each calendar quarter.
Employee Service Center	<p>Access to a toll free number for use by employees and managers for General self-service and payroll inquiries</p> <p>As authorized by Client, respond to Client's employees inquiries, when ADP has all pertinent information related to:</p> <ul style="list-style-type: none"> <li>• Employee personal information</li> <li>• Employee pay information and issues</li> </ul> <p>Further, the Employee Service Center can provide bi-lingual support for both English and Spanish speaking employees. Other languages are available via a partnership with AT&amp;T's language line for an additional fee charged back to Client on a pay per usage basis.</p>	<p>As a prerequisite to use of Employee Service Center, Client is responsible to support and promote employee self-service and manager self-service.</p> <p>ADP will provide standard service center hours 8:00 am to 11:30 pm EST, Monday through Friday, except for scheduled downtime for training, meetings and ADP-recognized company holidays. Such scheduled downtime shall not exceed two percent (2%) of available time each calendar quarter.</p>
<b>Payroll and Tax Administration</b>		
Payroll and Tax	<p>ADP payroll processing with tax service to authorized jurisdictions (also included: CheckView, Payroll Preview, Total Tax Plus<sup>SM</sup>, Full Service Direct Deposit or TotalPay<sup>®</sup> banking options, Labor Distribution, iPayStatements, iReports). Additional fees will apply for ADP delivery via courier.</p> <p><b>Year-end Forms W-2 will be provided and Clients will be billed separately. Additional fees will apply for direct mailing of year-end Forms W-2.</b></p>	ADP processes payroll and files and deposits appropriate federal, state and local taxes. <b>Client must review and approve final payments.</b>
Time and Attendance Feed to Payroll	Import employee time and attendance records provided that such records are in an ADP acceptable format (if not utilizing ADP's Time and Attendance Module).	ADP provides Client with required file formats to utilize this feed. Client is responsible for adaptation of its file feed to a format that is compatible with ADP's feed.



Services	Service Specifics	Roles and Responsibilities
<b>Payroll and Tax Administration</b>		
Checks and Direct Deposit	Full Service Direct Deposit (payroll wages electronically deposited into employees' bank account(s)) with TotalPay.	
Wage Garnishment Processing Services (WGPS)	ADP provides tools to calculate garnishments based on court orders and client interpretation and also generates reports documenting garnishment activity.	<p>Client provides employee liens and withholding information to ADP. ADP processes employee deductions for liens, wage garnishments and court ordered support and disburses payments to third parties as appropriate.</p> <p>The following shall only apply if Client is not purchasing Comprehensive Payroll Services: Client is responsible for lien interpretation. Client is responsible for all compliance with agency notification requirements; replies to garnishment notices received; notices of employee terminations and all other required written responses. Client must provide minimum of two (2) weeks' notice prior to processing of any special pays to accommodate any garnishment requirements.</p>
Payroll Reporting	Comprehensive standard and analytical reports cover payroll data.	ADP provides access to certain standard payroll reports. Client has access to ADP reporting tools to generate a limited number of custom reports.
GL Interface	ADP will generate a file every payroll that contains labor expense information that can be entered into popular general accounting programs. Custom programming not included.	
Paid Time Off (PTO)	Access to systems to track employees' paid time off.	Client is responsible for leave administration unless Total Absence Management is purchased as an optional service.



Services	Service Specifics	Roles and Responsibilities
<b>State Unemployment Insurance (SUI) Administration</b>		
Administer SUI Claims (where authorized by state law)	<p>Provide pre-separation unemployment insurance (UI) counseling to Client. UI claims administration. Audit SUI tax rate components.</p> <p>Audit UI benefits charges. Voluntary contribution review. Provide a quarterly summary report of claims activity.</p> <p><b>Client hearing and appeals not included in base services.</b></p>	ADP assists Client with unemployment claims administration and unemployment tax filings to help Client manage claims and State unemployment costs.
<b>Training and Development</b>		
Employee/Manager Self-Service Launch Training	Training for both Client employees and managers on the self-service tools and application (includes one on-site Employee Self-Service Kickoff and, upon request, virtual Employee Self-Service Kickoff meetings).	Client shall require its employees and managers to attend self-service tools and application training.
Core Product Training	Product training on all the core products for administrator users (not employees or managers).	Client shall require administrator users to attend core product training.
<b>Compliance Support</b>		
Compliance Newsletters <i>Note: The offering does not include legal advice or guidance.</i>	Access to periodic subject matter Compliance Newsletters.	
Alerts <i>Note: The offering does not include legal advice or guidance.</i>	Access to periodic subject matter Alerts and e-mails.	
Online Compliance Resources	Access to law summaries, best practices, sample forms and sample policies.	

The following terms supplement the general terms and conditions in Annex A and apply to the extent Client purchases ADP Comprehensive Payroll. ADP Comprehensive Payroll includes payroll administration, time and attendance, tax registration services and wage garnishment services.

## 1. Comprehensive Payroll

- 1.1 **Updates.** Client shall not perform any payroll/payroll module updates in ADP's systems unless directed by ADP; ADP shall make and maintain all necessary updates or changes based on information provided by Client to ADP. ADP shall not be responsible for (i) any changes made by Client directly into the payroll module and (ii) the impact Client's actions and inputs may have on the accuracy of Client's payroll.
- 1.2 **Client Information.** All Payroll Services will be based upon information provided to ADP by Client and Client will be responsible for the accuracy and timely input of all such information. Client will be solely responsible for all data relating to employee demographic data required to process the payroll including the time and attendance, all input of such information and validation of all time and attendance information. Client will provide ADP with an import ready data file containing time and attendance information on a timely basis. ADP shall not be responsible for any delays or inaccuracies in Client's delivery of data to ADP. Upon receipt from ADP, Client will promptly conduct a detailed review of all payroll registers produced by ADP for accuracy, validity and conformity with Client's records. Client will promptly notify ADP of any error or omission discovered by Client in any payroll registers, disbursement records, reports and documents produced by ADP or any discrepancy between the information provided by ADP and Client's records. Client will not rely on any record, report or document containing any discovered error, omission or discrepancy until such error, omission or discrepancy, has been corrected. ADP shall not be responsible for Client's failure to approve final payroll and for any payroll that ADP has deemed to have been approved by Client because Client did not approve a payroll in a timely manner. Client will be responsible for any consequences resulting from instructions Client may give to ADP with regard to Payroll Services or any payroll registers, disbursement records, reports and documents prepared by ADP based on information provided by Client.
- 1.3 **Client Acknowledgements.** Client acknowledges that ADP has agreed to perform Payroll Services utilizing human resources and time and attendance information provided to ADP by Client's non-ADP systems of record and that ADP is solely relying on the information provided to ADP by Client in order to perform Payroll Services. Client shall be solely responsible for the accuracy and timely delivery of all such information and any modifications required to be made to such information. Finally, Client acknowledges that ADP shall have no liability if Client's non-ADP human resources and/or time and attendance systems fail and as a result, ADP is unable to perform the Payroll Services. Client is responsible to ensure all configuration changes required to maintain the interface file is delivered to ADP timely and in ADP's format.
- 1.4 **Client Obligations.** Client acknowledges that ADP has agreed to perform Payroll Services utilizing human resources information provided to ADP by Client's non-ADP systems of record and that ADP is solely relying on the information provided to ADP by Client in order to perform Payroll Services. Client will be responsible for the accuracy and timely delivery of pre-audited, import ready files (in a format pre-approved by ADP) to interface with ADP's Workforce Now solution and Client will be responsible for validating the accuracy of such information on an ongoing basis. Client will also be responsible for promptly providing to ADP any and all changes to Client's master files and/or reports to ADP. As such information may impact current payroll processing, Client shall be responsible for importing such master files and/or reports to ADP at such frequency as to be determined by ADP in its sole reasonable discretion. ADP will not be responsible for correcting any errors in information provided to ADP by Client and Client shall be responsible for correcting all such errors and resubmitting such information for payroll processing. Finally, Client acknowledges that ADP shall have no liability if Client's non-ADP human resources systems fail and as a result, ADP is unable to perform the Payroll Services. Client is responsible to ensure all configuration changes required to maintain the interface file is delivered to ADP timely and in ADP's format.

## 2. Time and Attendance Managed Services.

ADP shall provide the Time and Attendance Managed Services as further described in this Annex and the attached Schedule 1 to Annex D (the "**TA Managed Services**"). The TA Managed Services are only made available ADP Comprehensive Payroll clients that utilize those time & attendance services delivered via ADP Workforce Now (the "**TA module**").

- 2.1 **TA Module.** The TA module includes ADP Workforce Now Essential Time or ADP Workforce Now Enhanced Time (the "Time and Attendance Services"). For ADP Workforce Now Enhanced Time only, additional license terms are available at <https://www.adp.com/tlterms.aspx>. ADP Workforce Now Enhanced Time and ADP Workforce Now Essential Time products are available for use in a limited number of countries outside the United States, although certain restrictions and requirements may apply.
- 2.2 **End of Pay Period Administration; Resolution of Error Exceptions.** Client acknowledges and agrees that Client will be responsible for ensuring that all time and labor data input submitted by Client to ADP is accurate, complete and delivered on time. For the purposes of this Annex, the term "error exception(s)" shall mean any data requirements within the TA module that, based on Client's configuration, have been assigned a severity level designation of "error"; such designation shall create a requirement for an operational task to be completed in order to proceed with Client's payroll processing. Failure to resolve an error exception will prevent Client's payroll from being processed as scheduled. Client acknowledges and agrees that Client will be responsible to clear all error exceptions preventing the time and attendance file from processing. Client also agrees that all timeframes referenced below shall be determined during the implementation process. TA Managed Services shall include, but shall not be limited to, the following operational support to assist Client in the end of pay period process:
  - 2.2.1 within an agreed upon timeframe prior to the deadline for payroll submission, ADP will notify all Client supervisors with error exceptions to clear all outstanding error exceptions in the TA module using electronic alerts established in the TA Module;

- 2.2.2** if within a predetermined timeframe prior to the deadline for payroll submission Client has not cleared all outstanding error exceptions, ADP will advise Client's designated contact of all outstanding error exceptions; and lock the end of pay period process with respect to Client clearance of error exceptions.
- 2.3 Data Administration.** All data entry, adjustment and corrections to the TA module must be made by Client. ADP can make adjustments in the Payroll module only. Prior to commencement of Services, Client shall provide to ADP all necessary information and guidance relating to its time and attendance policies and guidelines and coordinate with ADP to establish standards for ADP in its execution of the Services.
- 3. Time & Attendance Hardware.** If ADP agrees to provide Client with the data collection devices (e.g. Timeclock, HandPunch, etc.) (the "**Time & Attendance Hardware**") as described in the Executive Pricing Summary, the following terms will apply:
- 3.1** If Client procures Time & Attendance Hardware, Client shall provide and maintain an installation environment (including all power, wiring and cabling required for installation) as specified in the manufacturer's product documentation and other written instructions provided to Client by ADP.
- 3.2** Regarding Time & Attendance Hardware provided on a subscription basis only, Client shall not make any alterations or attach any devices thereto that are not provided by ADP, nor shall Client remove same from the place of original installation without ADP's prior consent. All right and title in the Time & Attendance Hardware procured on a subscription basis is, and at all times shall remain, that of ADP and a separate item of personal property of ADP, notwithstanding its attachment to other items or real property, and promptly upon termination of the ADP Time & Attendance Services, for any reason whatsoever, Client shall, at its expense, return such Time & Attendance Hardware in good condition, in accordance with ADP's instructions, normal wear and tear excepted. If such Time & Attendance Hardware is not promptly returned, Client agrees to purchase same at fair market value. Repairs and replacements required as a result of any of the following shall not be included in any maintenance services and shall be charged at ADP's then current rates: (i) damage, defects, or malfunctions resulting from misuse, accident, neglect, tampering, unusual physical, or electrical stress, or causes other than normal or intended use; (ii) failure of Client to provide and maintain a suitable installation environment; (iii) any alterations made to or any devices not provided by ADP attached to the Time & Attendance Hardware; and (iv) malfunctions resulting from use of badges or supplies not approved by ADP.
- 3.3 Maintenance Fees.** Maintenance services for the Time & Attendance Hardware apply automatically to Time & Attendance Hardware obtained under the subscription option (and any charges therefore are already included in the monthly time and attendance subscription fees). The costs for maintenance services for Time & Attendance Hardware under the purchase option are not included in the purchase price for such equipment; a separate annual maintenance fee applies. Client, under the purchase option, may terminate its receipt of maintenance services by providing written notice to ADP no less than thirty (30) days prior to the end of the then current annual coverage period. ADP is not required to rebate to Client any maintenance fees relating to a current or prior coverage period. (NOTE: If Client selects the purchase option but opts not to receive (or terminates) maintenance services hereunder by executing a waiver of maintenance services, any such services provided by ADP at Client's request will be subject to ADP's then current charges for such services.) No Time & Attendance Hardware maintenance is done at the Client site. Client shall bear all delivery/shipping costs and all risk of loss during shipment/delivery of Time & Attendance Hardware relating to maintenance services.
- 3.4 Maintenance Services.** ADP will maintain the Timeclock Equipment to be free from defects in material and workmanship as follows: Any parts found to be defective (except as specifically excluded below) shall be replaced or repaired, at ADP's or its designee's option, without charge for parts or labor, provided that the Time & Attendance Hardware has been properly installed and maintained by Client and provided that such equipment has been used in accordance with this Agreement or other accompanying documentation including, but not limited to, Client's Executive Pricing Summary provided by ADP or its designee and has not been subject to abuse or tampering.
- 3.5 Biometrics.**
- 3.5.1 Definitions.**
- 3.5.1.1 "Biometric Data"** includes the information collected by timeclocks and software that use finger and/or hand scan technology, which potentially may include Biometric Identifiers and Biometric Information.
- 3.5.1.2 "Biometric Identifier"** means a retina or iris scan, fingerprint, voiceprint, or scan of hand or face geometry.
- 3.5.1.3 "Biometric Information"** means any information, regardless of how it is captured, converted, stored, or shared, based on an individual's biometric identifier used to identify an individual.
- 3.5.1.4 "Biometric Services"** means services provided by ADP to Client via the use of timeclocks and software in connection with ADP's provision of Time & Attendance Services, to the extent such timeclocks or software collect, store or use Biometric Data.
- 3.5.1.5 "Biometric User"** means Client's employees or independent contractors who are requested or required by Client to use Biometric Services to record their attendance, hours worked or other work-related data.
- 3.5.2 Additional Terms.** Biometric Services are optional. In certain jurisdictions, there are laws and regulations that govern the collection, use, and retention of biometric information, which potentially may apply to Client's use of Biometric Services. To the extent Client elects to use Biometric Services, Client agrees to comply with all such laws and regulations in accordance with this Agreement and Section 3.2 of the Annex A. In the event Client is unwilling to comply with laws and regulations relating to Biometric Services, Client will be able to continue to use Time & Attendance Services without Biometric Services. The following terms and conditions apply to Biometric Services to the extent Biometric Services are part of the scope of Services:
- 3.5.3 Requirements for Receipt of Biometric Services.** Before any Client or Biometric User is permitted to use any Biometric Services in a jurisdiction where laws and regulations potentially govern such use, Client will comply with the following requirements, in addition to any other requirements imposed by potentially applicable law (to the extent there is a conflict



between the requirements below and the requirements of potentially applicable law, Client will comply with potentially applicable law:

- 3.5.4 Client Biometric Information Policy.** Client will implement, distribute and make available to the public, a written policy establishing Client's policy with respect to the use of Biometric Data. Such policy will include:
- 3.5.4.1** a retention schedule and guidelines for permanently destroying Biometric Identifiers and Biometric Information;
  - 3.5.4.2** a commitment to destroy Biometric Data when the initial purpose for collecting or obtaining such Biometric Data has been satisfied or within 3 years of the individual's last interaction with Client, whichever occurs first; and
  - 3.5.4.3** any additional requirements as required by applicable law.
- 3.5.5 Biometric User Notice and Consent.** Client will provide notice and procure and retain appropriate consents or releases from Biometric Users in the manner and to extent the same are required by applicable law, including:
- 3.5.5.1** notifying Biometric Users in writing that Client, its vendors, and/or the licensor of Client's time and attendance software are collecting, capturing, or otherwise obtaining Biometric Users' Biometric Data, and that Client is providing such Biometric Data to its vendors and the licensor of Client's time and attendance software; such notice will specify the purpose and length of time for which Biometric User's Biometric Data is being collected, stored, and used;
  - 3.5.5.2** obtaining a written release or consent from Biometric Users (or their legally authorized representative) authorizing Client, its vendors, and licensor of Client's time and attendance software to collect, store, and use the individual's Biometric Data for the specific purpose disclosed by Client, and authorizing Client to provide such Biometric Data to its vendors and the licensor of Client's time and attendance software; and if requested by ADP, providing to ADP copies of the required consents or releases collected and retained by Client, and/or certifying to ADP that such consents or releases have been obtained.
- 3.5.6 Retention and Purging of Biometric Data.** Client will work with ADP to ensure that Biometric Data is retained and purged in accordance with applicable law. To the extent necessary for the purging or deletion of such Biometric Data, Client agrees to provide timely notification to ADP of the termination of the employment, or the satisfaction of the purpose for which Biometric Data was collected with respect to any given Biometric User. ADP is not responsible for Client's failure to provide timely notification of the termination of the employment, or the satisfaction of the purpose for which Biometric Data was collected with respect to any given Biometric User.
- 3.5.7 Storage of Biometric Data in Timeclocks.** Client agrees that it shall use a reasonable standard of care consistent with potentially applicable law to store, transmit and protect from disclosure any paper or electronic biometric data collected in timeclocks. Such storage, transmission, and protection from disclosure shall be performed in a manner that is the same as or more protective than the manner in which Client stores, transmits and protects from disclosure other confidential and sensitive information, including personal information that can be used to uniquely identify an individual or an individual's account or property, such as genetic markers, genetic testing information, account numbers, PINs, driver's license numbers and social security numbers.
- 3.5.8 Third Party Beneficiary.** Notwithstanding anything to the contrary in the Agreement, Client agrees that ADP and licensor of any applicable Biometric Services (and their respective successors and assigns) are third party beneficiaries of this Agreement solely as it relates to Biometric Services.
- 3.5.9 Additional Termination Provisions for Biometric Services.** If ADP determines that Client has failed to comply with any potentially applicable laws and regulations applicable to the Biometric Services, ADP may, in its sole discretion and upon notice to Client, immediately suspend or terminate the Biometric Services.

- 4. Tax Registration Services.** ADP shall provide tax registration services as further described in this Annex and the attached Schedule 1 to Annex D (the "**Tax Registration Services**") in accordance with and subject to the terms of this Annex and the Agreement. The Tax Registration Services provided hereunder relate solely to obtaining jurisdiction account numbers requested by ADP for employment tax. There shall be no additional fees for Tax Registration Services. In receiving the Tax Registration Services hereunder, Client acknowledges the following
- 4.1** Client understands that ADP will not perform Tax Registration Services in connection with the following events: (i) mergers and acquisitions; (ii) name, address or entity (corporate form) changes; (iii) applications to a state's Secretary of State; and (iv) closing of accounts with a state taxing agency.
  - 4.2** As a third-party service provider, ADP's services hereunder are consultative in nature. ADP is not representing Client in any dealings before any tax agencies. ADP's provision of the Registration Services should not be construed as legal, tax, or accounting advice. Client should consult its legal, tax, or accounting advisors for such advice.
  - 4.3** All submissions to the taxing jurisdiction will be (i) reviewed by Client prior to submission, when provided and (ii) signed by Client where necessary or Client will instruct ADP to affix electronically the Client signature provided by it. By signing the documents or requesting that ADP affix its electronic signature, Client is confirming that (i) it has reviewed the documents being submitted to the taxing jurisdiction and (ii) the information contained in the documents is complete and accurate.
  - 4.4** By utilizing the Tax Registration Services, Client is authorizing ADP to act on its behalf in obtaining jurisdiction employment tax account numbers including, but not limited to, affixing the electronic signature provided by Client to registration forms and other documentation, submitting forms to tax agencies and directly communicating with such agencies as necessary.
  - 4.5** Client understands that ADP's services are based solely on the information provided by Client about its business established within a particular jurisdiction and other written correspondence that is in reply to ADP's questions regarding the registration process or otherwise provided by Client. Client authorizes ADP to rely upon the information it furnishes in providing the Tax Registration Services. ADP is not responsible for Tax Registration Services provided hereunder based on any inaccurate information supplied by Client or the failure by Client to provide ADP with information relating to the registration process.



- 4.6 Client understands that, for reasons beyond ADP's reasonable control, ADP may not be successful in securing an employment tax account number for Client in any particular jurisdiction.
- 4.7 ADP is not responsible for any penalties or interest incurred by Client as a result of ADP's failure to timely receive Client's identification numbers.

**5. ADP Wage Garnishment Services.** Administration of child support orders, creditor garnishments, tax levies, bankruptcies, and student loan liens; which includes garnishment data and order processing, response and notification services, payment processing and disbursement of payments to the appropriate payees, and inquiry management for employees, custodial parents, agencies, and other third parties pursuant to the statement of services set forth in Schedule 2 to Annex D. The following additional terms and conditions apply to the ADP Wage Garnishment Services:

**5.1 Description of Services; Authorization.**

**5.1.1** ADP will act solely as a third party service provider of garnishment data evaluation, data processing and payment processing. ADP may from time to time provide Client reasonable instructions or best practice recommendations which Client may follow. However, the ADP Wage Garnishments Services are not a substitute for the advice of an attorney. Client agrees that ADP is not a law firm, does not provide legal advice or representation and that no attorney-client relationship exists or will be formed between ADP and Client.

**5.1.2** Client authorizes ADP to (i) use Client's data to populate document templates and create garnishment responses and other standard form documents, (ii) file documents on Client's behalf and at its direction where permitted by the relevant court or agency, and (iii) prepare and serve written notices to third parties on Client's behalf and at its direction. ADP will perform the ADP Wage Garnishment Services in accordance with and subject to the documents and information provided to ADP by Client or agencies (including federal and state tax, credit and child support agencies, courts, levying officers and bankruptcy trustees (collectively, "**Agencies**"), or by any other third parties from whom Client has directed or authorized ADP and ADP has agreed to accept such documents and information. In the event ADP has any questions relating to the application of same to a particular set of facts or if an employee of Client notifies ADP of his or her objection to ADP's evaluation or application of the same, then ADP will notify Client of such questions or objections. Client will be responsible for obtaining answers to any such questions or resolving such objections.

**5.1.3** Client will be solely responsible for cases or claims by third parties against ADP unless the case or claim directly results from an ADP error or omission.

**5.2 Court Filed Notifications.** To the extent Client appoints ADP to perform court filed notification services (e.g., creditor garnishments), Client will review a copy of each ADP standard form notification that ADP will use to produce, submit and/or file such garnishment notice with a court of law (each, a "**Court Filed Notification**") as part of the ADP Wage Garnishment Services and hereby directs ADP to utilize such Court Filed Notifications on Client's behalf. ADP will be responsible for (i) monitoring changes in applicable rules that impact the format of each Court Filed Notification, (ii) implementing changes to the Court Filed Notification forms as deemed necessary, in ADP's reasonable discretion, to address such changes in applicable rules, and (iii) notifying Client of any such changes by providing Client with a copy of any modified Court Filed Notification form. Notwithstanding the foregoing, Client will be responsible for making its own determination as to the legal sufficiency of each standard form, as modified by ADP from time to time, and their continued use by ADP on Client's behalf in each jurisdiction. Client will be responsible for providing a consenting party (including any required notarization) to execute each Court Filed Notification created by ADP on Client's behalf. Except for ADP's obligations stated in this Section, ADP will not be liable hereunder to Client or any third party for the legal sufficiency of the format of any Court Filed Notification utilized by Client hereunder.

**5.3 Flash Signature Feature.** ADP may, in its discretion and in accordance with its client reference guides and set-up and approval process, offer Client digitized client signature and notary stamp and notary signature functionality ("**Flash Signatures**") as an optional feature of the Wage Garnishment Services. Notwithstanding anything to the contrary in Section 3.2, ADP will not be responsible for the design or compliance of Flash Signatures and makes no representations, warranties or determinations regarding the compliance of the use of Flash Signatures on Court Filed Notifications. To the extent Client elects to use Flash Signatures on its Court Filed Notifications, Client is responsible for ensuring that such signatures are, in Client's view, consistent with Client's compliance requirements [Insert text].

**5.4 Accuracy and Timeliness of Data.** Client is responsible for (i) the way in which Client's payroll system utilizes data provided by ADP to Client in connection with ADP's provision of the ADP Wage Garnishment Services and (ii) any errors or omissions caused by any of Client's third-party service providers.

**5.5 Electronic Income Withholding Orders Program.** To the extent Client chooses to participate in the Electronic Income Withholding Orders Program (the "**e-IWO Program**"), Client authorizes ADP as its third party service provider to receive, rely upon, and process electronic income-withholding orders/notices from the Office of Child Support Enforcement that have been issued by jurisdictions participating in the e-IWO Program. Client understands that there is a 30-day startup period for orders to convert from hard-copy documents mailed to Client to the electronic method. For the jurisdictions participating in the e-IWO program, Client will continue to forward to ADP all income-withholding orders/notices or related documentation it receives. Client agrees to provide written notice to ADP at least forty- five (45) days in advance if it wishes to no longer participate in the e-IWO Program. Client also agrees that ADP may, at its sole discretion, discontinue participation in the e-IWO Program at any time.

**5.6 Additional Termination Provisions for ADP Wage Garnishment Services.** If ADP reasonably determines that it can no longer provide all or any portion of the ADP Wage Garnishments Services due to changes in applicable law or application of existing law, ADP may, in its sole discretion and upon notice to Client, immediately terminate the applicable portion of the ADP Wage Garnishment Services. If the ADP Wage Garnishment Services are terminated, Client will immediately (i) be responsible for payment of Client's wage garnishment and voluntary deduction amounts associated with that portion of the ADP Wage Garnishment Services terminated by ADP and not otherwise collected from Client by ADP including, without



limitation, any judgments, court costs, legal fees, and interest accruing after the date of such termination, and (ii) be responsible for its garnishment answer and filing obligations.

## SCHEDULE 1 TO ANNEX D

### Comprehensive Payroll Statement of Services

The following supplements the ADP Comprehensive Services Statement Services (Schedule 1 to Annex A) and applies to the extent that Client purchases ADP Workforce Now Comprehensive Payroll.

Services	Service Specifics	Roles and Responsibilities	
		ADP	Client
Implementation of Comprehensive Payroll			
Standard Operating Procedures	<p>ADP obtains detailed information required to configure and deliver the Payroll Services.</p> <p>During implementation, ADP works with the Client to conduct an analysis in order to ensure that ADP has up-to-date and accurate information on Client's programs and policies that will be administered by ADP.</p> <p>ADP's Transformation Services, will assist the Client and Client managers with change management</p> <p>If Client does not use and ADP's HRIS systems ADP will not be administering Client's HR and time and attendance data..</p>	<p>ADP uses analysis documents and meetings with Client to capture all of Client's pay practices and creates Standard Operating Procedures ("SOP").</p> <p>ADP provides Client with best practices and guidance while developing the combined SOP documents which include ADP's standard procedures.</p>	<p>Client provides ADP with its payroll practices and procedures and assists ADP with completing the SOP, which will be used to perform the Payroll Services.</p> <p>To the extent that Client does not purchased ADP's WFN HR, Time and Attendance and/or Benefits Modules, the SOPs shall outline additional Client responsibilities that may arise as a result of Client's use of such non-ADP systems (e.g. downstream impact to potential government agency reporting requirements, such as ACA reporting).</p> <p>Prior to commencement of the Payroll Services, Client must acknowledge the SOP.</p> <p>These SOP's shall be configured to account for the fact that Client's HR and time and attendance data will not be initiated in ADP's WFN HR and Benefits and Time and Attendance modules and shall set forth parameters and deadlines for delivery of information necessary for ADP to perform Payroll Services.</p>
Implementation Schedule	Implementation of Payroll Services will proceed in accordance with an implementation schedule agreed upon between ADP and Client.		Client agrees to use commercially reasonable efforts to implement Payroll Services within fourteen (14) weeks of the commencement of implementation of Payroll Services.
Workforce Now Comprehensive Payroll Support Team			
Payroll Specialists	ADP Payroll Specialists coordinate the administration of Payroll Services on an ongoing basis, including payroll processing and administration activities, establishing and maintaining processing schedules, coordinating any non-standard processing events, and managing critical payroll		Client shall adhere to the Comprehensive Payroll timeline as documented in the Client SOP.



	events during the year (e.g., year-end processing)		
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Services	Service Specifics	Roles and Responsibilities	
		ADP	Client
Payroll Services			
Time and Attendance Managed Services	Time and Attendance module (Comprehensive Payroll Services includes ADP Essential Time. ADP Enhanced Time is available for an additional charge),	ADP provides access to and set-up of the Time and Attendance module ("TA module"), an ADP web-hosted time and attendance system that uses the Internet to automate employee time and attendance record keeping, including best practice recommendations about integration of the Time and Attendance Module.	Provide to ADP Client business rules and policies for time capture, changes in organizational structure, etc. required to set-up and maintain TA module.
	Time collection and Reporting	<p>Identify and escalate any error exception(s) to designated client contact.</p> <p>Identify error exceptions per agreed upon guidelines/ thresholds and escalate to Client.</p> <p>Reconcile escalations per Client guidance but ADP will not make adjustments to Client data within the TA module.</p> <p>Create time data batch and submit to payroll.</p>	<p>Collect employee time according to Client business rules and policies within the appropriate payroll schedule.</p> <p>Client assigns employees to work schedules within TA module.</p> <p>Review and approve employee time data; notify employees and reconcile error exceptions and discrepancies in accordance with Client business rules and policies.</p> <p>Designated client contact must assign a secondary contact if unavailable for scheduled call/contact</p> <p>Respond to escalations as needed for approval per agreed upon schedule.</p> <p>Client is responsible for all time entries, adjustments and approvals.</p>



Services	Service Specifics	Roles and Responsibilities	
		ADP	Client
Payroll Services			
Payroll Administration	The complete details of the Comprehensive Payroll Timeline will be documented in the Client Standard Operating Procedures. All HR-related changes must be submitted 5 business days prior to Client's check date and all time and attendance records must be approved 4 business days prior to the Client's check date, at the deadline designated by ADP.	ADP provides services and resources to the Client related to the administration of payroll. Provides problem management resolution for payroll problems/issues (includes case management, escalation and reporting) from both Client and Client employees and managers. ADP communicates errors and corrective actions including reporting on open items.	Client supports ongoing processes, conducts strategic planning, develops Client business rules and policies and notifies ADP of any Client procedural or organizational changes affecting the Payroll Services. Client assists in resolving issues escalated by ADP in accordance with the Comprehensive Payroll timeline documented in the Client acknowledged SOP.
	Cost allocations	ADP maintains costing definitions to permit cost allocations from payroll data. ADP maintains all tables supporting the payroll function.	Client defines labor costing and distribution codes and rules and provides to ADP.
	Payroll Calendar/Schedule and Maintenance	ADP will apply and configure payroll calendars and cycles based on information provided by Client.  ADP will update schedule as requested by client per established update process.	Client defines timekeeping schedules, payroll calendars and cycles in accordance with parameters provided by ADP.  Client will inform ADP of all changes to schedules, calendars, or cycles that impact payroll in a timely manner and in accordance with the Comprehensive Payroll timeline documented in the Client acknowledged SOP.
	Employer Updates	ADP will process updates impacting payroll per Client direction and approved process provided that any such changes are effective at the beginning of the pay period.  Any mid-cycle process updates impacting payroll shall be considered a change control and additional fees shall apply.	Client will provide information and updates for: <ul style="list-style-type: none"><li>Earning types</li><li>Deduction types</li><li>Mass changes</li><li>Rate changes</li><li>Organizational changes</li><li>Accumulators and work rules; and</li><li>Other updates as required.</li></ul>



Services	Service Specifics	Roles and Responsibilities	
		ADP	Client
Payroll Services			
	Event Processing	Based on information provided by Client, ADP processes changes related to Clients' employees.	Client enters data in ADP Workforce Now or a designated ADP format (pre-audited and import ready) in a timely manner for the following Client employee changes: <ul style="list-style-type: none"><li>• Terminations</li><li>• Leaves of absence</li><li>• Transfers and promotions</li><li>• Status changes</li><li>• Hire/rehire</li><li>• Client organizational changes; and</li><li>• Other updates as required.</li></ul>
	Employee Record Setup and Maintenance	ADP will: <ul style="list-style-type: none"><li>• Process submitted and approved employee changes</li><li>• Process new employee pay/time file setup</li><li>• Collect and process employee pay file changes</li><li>• Process direct deposit enrollments and changes</li><li>• Manage and maintain payroll database and payroll records</li><li>• Process mass changes</li><li>• Import files that are in pre-audited, approved-ADP format</li></ul> ADP will set up the tax validation tables based on Client's direction  Provide guidance and best practices	Client will: <ul style="list-style-type: none"><li>• Enter and approve employee changes</li><li>• Provide special payment information (e.g., one-time or infrequent payments such as bonuses or sales commissions, etc.)</li><li>• Provide ADP with pre-audited, approved ADP formatted import files</li></ul> Client will provide all applicable employee level tax coding
	Paid Time Off (PTO)	Provide modules to track employees' paid time off based on Client's PTO policy.	Provide PTO policy information and exceptions. Provide updates and changes in PTO policy to ADP. Client is responsible for reconciling employee PTO balances and tracking, including balance issues.
Payroll Processing	Payroll Module	Provide payroll processing module for calculation of gross to net processing through ADP's proprietary software	Client agreement to not make changes within the payroll module
	Gross to Net	Provide and maintain module to calculate gross to net pay, including deductions.	Client will provide applicable information to set up earnings and deductions for the calculation.





Services	Service Specifics	Roles and Responsibilities	
		ADP	Client
Payroll Services			
	<p>Pay Processing and Off-Cycle Processing</p> <ul style="list-style-type: none"> <li>• Manual Checks</li> <li>• Retro Adjustments</li> <li>• Bonus/Supplemental Pay</li> </ul> <p>If an additional payroll processing is required, such processing shall be subject to additional cost.</p>	<p>ADP will process Client's payroll data as follows:</p> <ul style="list-style-type: none"> <li>• Input into and verify pay data in payroll module</li> <li>• Calculate retroactive pay adjustments for exempt employees, being paid a fixed salary, within sixty (60) days of the current pay period begin date</li> <li>• <i>Calculating retroactive pay adjustments for all employees beyond the sixty (60) day threshold will be done by work order only – additional fees will apply</i></li> <li>• Process prorated payments per data provided by Client</li> <li>• Process off-cycle payrolls as requested by Client or as deemed necessary by ADP</li> <li>• Provide Client access to off-cycle payroll data via online reporting tools</li> <li>• Update payroll balances and accumulators, as needed per request from Client</li> <li>• Process required earnings or deduction adjustments to reflect accurate system or control information within the module (primarily system tables or processing tables)</li> <li>• Provide summary reporting on deductions and payments</li> <li>• Submit and reconcile statutory deductions</li> <li>• Create benefit deductions per data provided by Client</li> </ul> <p>If ADP performs an off-cycle payroll, payroll amendment or issues manual checks at Client's request, additional fees may apply.</p>	<p>Client will:</p> <ul style="list-style-type: none"> <li>• Notify ADP of upcoming off-cycle processing changes and coordinate processing, including submission of data in required format</li> <li>• Calculate and provide data to ADP for retroactive pay adjustments required for all nonexempt employees, paid hourly or by fixed salary</li> <li>• Calculate and provide data to ADP for retroactive adjustments required for all exempt employees being paid a fixed salary outside the sixty (60) day window or in mid-payroll cycle</li> <li>• Calculate and provide data to ADP for all employees for all overtime retroactive pay calculations</li> <li>• Provide ADP with data for prorated payments</li> <li>• Provide ADP with data needed to calculate mid-cycle or retroactive adjustments for benefit deductions</li> </ul> <p>If a manual check is required, the Client Payroll Contact must submit the Manual Check Request to the ADP Payroll Specialist. The ADP Payroll Specialist will calculate the check, provide the Client Payroll Contact with the net pay and update the ADP Workforce Now® Payroll module with the next payroll. The Client Payroll Contact is responsible to issue a manual check in house from its own check stock or print such manual check within ADP Workforce Now.</p>



Services	Service Specifics	Roles and Responsibilities	
		ADP	Client
Payroll Services			
Payment Services	Checks and Direct Deposit	Provide TotalPay, which includes Full Service Direct Deposit (payroll wages electronically deposited into employees' bank account(s)) and ADPCheck.  Prepare pay deposits or checks for employees.	Client ensures that sufficient funds are available in Client's designated account for direct debit to ADP's designated account, or transferred by means of wire transfer to ADP's designated account, as applicable, within specified deadlines to satisfy all of Client's payroll obligations and off-cycle processing.  Client ensures that employees may not cash checks prior to check dates. Noncompliance with this request will result in additional fees to Client
	Stop Payments/Voids	ADP will process stop payments and voids as directed by Client.	Client will notify ADP of need for stop payments and voids and provide data to identify specific payment(s) impacted.
	Reversals	Process reversals as directed by client within the current pay period or as funds are available.	Notify ADP of need for reversals and provide data to identify specific payment(s) impacted.  Client is responsible for collection of overpaid funds.
	Payments to Third Party Vendors		Client is responsible for payments to third party vendors.
	Reconciliation	For funds paid using TotalPay and/or ADPCheck, ADP will reconcile all payments issued.	Client will be responsible for reconciliation of payments issued outside of TotalPay and ADPCheck
Payroll Tax Filing	Payroll Taxes	File and deposit federal and state payroll taxes on Client's behalf in jurisdictions where ADP is authorized.  <i>Forms W-2 are provided at an additional fee.</i>	Review and approve final payments for payroll tax services.  File and deposit payroll taxes for jurisdictions where ADP is not authorized
Payroll Compliance	Quick Reference Guides <i>Note: The offering does not include legal advice or guidance.</i>	Access to Quick Reference Guides for each of the fifty (50) United States, which include a summary of the top compliance issues for Client's review and application.  ADP reviews payroll trends and evaluates and communicates payroll best practices and guidance through various forms of communication, such as Payroll Alerts	Client remains responsible for its compliance with all applicable laws.  Client remains responsible for action required in communications issued to Client in the various forms of communications, such as Payroll Alerts.  The Comprehensive Payroll Services are not designed to take into account payroll laws in local jurisdictions.

Services	Service Specifics	Roles and Responsibilities	
		ADP	Client
Payroll Services			
Payroll Reporting Tool	ADP Reporting provides comprehensive standard and analytical reports covering payroll data.	Provide tools for reporting and support.  If Client requires additional assistance in developing reports, ADP will assist in Client's efforts to create reports but will not be responsible for Client's report writing requirements.	Utilize reports and reporting tools as needed to support business needs.
Pay Data Files	Client Pay Data Files submitted to ADP may be subject to additional charges. Pay Data Files are typically used to process specific payroll-related data (For example: commission, bonus, taxable stock transactions and non-standard ADP employee deductions such as union dues, or other types of payroll transactions).	Import and process up to four (4) required ADP pre-approved formatted file(s) into Payroll module per payroll schedule. If Client requires more than four (4) files, additional fees may apply.  If a designated ADP resource is required to manage/create a Payroll Interface, additional fees will apply. See Payroll Interfaces below.  Notify Client of any format issues. Work with client to resolve issues, as needed.	Client contact submits pre-audited file to ADP using ADP format specifications, process, and schedule/timeline (5 business days prior to pay date).  Maintain and resolve data accuracy for files.  Client shall adhere to schedule/timeline.
Payroll Interfaces	General Ledger ("GL") Interface	Maintains system to create expense information file.  Provides access and system to create file that contains expense information that can be entered into the more popular general accounting programs.  Communicates any payroll related changes that may impact field mapping.	Generates file and imports to financial system as needed.  Maintains mapping of payroll fields to financial system fields.  Communicates any mapping updates that impact payroll processing to ADP.
	Payroll Outbound Interfaces	Create/Run interface file per the payroll schedule and agreed upon format ( <i>custom programming fees may apply</i> ).  Provide file to designated Client contact.	Provide initial file/setup requirements and formats for each interface.  Provide updates to ADP for any changes to file/setup requirements.  Maintain and resolve data accuracy for transferred files.
International and Expatriate Employees	The rules around wage and tax withholding and reporting for Expatriates (U.S. employees working outside the U.S.) and Foreign Nationals (employees from foreign countries working in the U.S.) are complex and require a high level of coordination from Client's payroll, benefit and human resources contacts. ADP will have no responsibility or liability with respect to any payroll		Client must have a detailed written policy for compensation of these types of employees and should work with a legal and tax professional due to the complexity of the compensation and taxation at the federal and state level.



	calculations, including tax withholding, for Expatriates or Foreign Nationals		
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Services	Service Specifics	Roles and Responsibilities	
		ADP	Client
Payroll Services			
	Expatriates (U.S. employees working outside of the U.S.)	<p>ADP will process payroll for Client to expatriates via such person's U.S. bank account based exclusively on payroll information, including all earnings types, deductions and tax withholdings, provided to ADP by Client.</p> <p>ADP will reasonably assist Client in producing reports requested by Client.</p>	<p>Client must calculate all compensation, including all earnings types, deductions and tax withholdings on global assignments. These calculations include, but are not limited to: cost of living adjustments, hypothetical tax calculations, housing costs, living allowances, state tax issues, tax equalization, tax protection, etc.</p> <p>Client must provide all necessary information for these employees (including earnings, tax withholding, deductions, etc.).</p>
	Foreign Nationals (Foreign employees working in the U.S.)	<p>ADP will process payroll for Client to foreign nationals via such person's U.S. bank account based exclusively on payroll information, including all earnings types, deductions and tax withholdings, provided to ADP by Client.</p>	<p>Client must verify eligibility to work in the U.S.</p> <p>Client must verify VISA and pay requirements under VISA regulations.</p> <p>Client must provide tax withholding guidance for income and Social Security withholdings which may be different for each employee and each type of VISA and country of origin.</p> <p>Client must accurately perform the aforementioned withholdings calculations (typically performed by a third party) to provide ADP with the appropriate direction.</p> <p>Client will monitor hours worked and all events that require tax and other compensation changes and will notify ADP of such changes when required.</p>
Form 1065 (Schedule K-1) Partner's Share of Income, Deductions, Credits, etc.			Client will be responsible,





Services	Service Specifics	Roles and Responsibilities	
		ADP	Client
Payroll Services			
Form 8922 – Third Party Sick Pay Recap	Special rules apply to the reporting of sick pay payments to employees. How these payments are reported depends on whether the payments are made by the employer or a third party, such as an insurance company.	ADP will establish a separate company code if the Client requires the Form 8922. Pay data will be processed to capture the information required on the form. The Form 8922 will be printed at the end of the tax year and sent to the Client for filing with the IRS.	Client must consult with third party plan administrator to determine if plan administrator or ADP will be issuing the employee Forms W-2 and who will be required to file Form 8922.  Client understands ADP does not provide tax filing services for Form 8922.
Form 1099-MISC Workers	ADP shall process the payments for the Client's nonemployee workers and annually prepare Forms 1099-MISC for the Client's nonemployee workers ("1099 Workers") as requested by Client for an additional fee. The 1099 Workers must all be listed under a separate control (company code).	ADP will not provide any Wage Garnishment Processing Services (WGPS) or Full Service Garnishment Services for the 1099 Workers.	Client will be responsible for, among other things: (i) compliance with orders to withhold and remittance of amounts demanded for any type of garnishment; (ii) all lien interpretation; (iii) responses to initial orders; and (iv) preparation and transmittal of all employee termination and leave of absence notifications to the appropriate agencies.
Employees located in the US Territories and Caribbean, including Puerto Rico, Guam, and US Virgin Islands	Outside the scope of services under the Comprehensive Payroll offering.		Client must manage all related processing on their own in a separate company code, with separate FEIN. ADP does not provide any payroll compliance support.
Tax Registration Services			
Relevant and Required Information		ADP shall obtain relevant and required information to complete online or paper registration applications.	Client must provide to ADP all information requested by ADP with respect to the Tax Registration Services.
Submission of Applications	Upon Client's request, ADP shall initiate the registration process for each jurisdiction identified by Client and arrange for the submission of the application(s) to the appropriate tax agency on the Client's behalf.	ADP will not perform Tax Registration Services in connection with the following events: (i) mergers and acquisitions; (ii) name, address or entity (corporate form) changes; (iii) applications to a state's Secretary of State; and (iv) closing of accounts with a state taxing agency.	Client may need to provide a signed Power of Attorney (POA) or Reporting Agency Authorization (RAA) when needed by ADP for it to obtain account number and status information from an employment tax jurisdiction.
Communications	ADP shall communicate with the tax agency representatives on the status of the application and notify Client in writing of the new account numbers (to the extent this information is communicated to ADP by the tax agency), other account status information, or problems encountered during the process.	ADP is not responsible for P&I based on timeliness of receipt of the client's ID number.	Client must promptly provide ADP with any communications received from the tax agency which are directly or indirectly applicable to the registration process or that may otherwise impact Client's request for an account number.

**SCHEDULE 2 TO ANNEX D**

**ADP Wage Garnishment Services - Statement of Services**

This matrix defines the responsibilities of ADP in delivering Garnishment Services to Client, and also highlights the responsibilities remaining with Client. Please note that all services are provided in accordance with standard ADP processes and methodologies, and are therefore is subject to change in the reasonable discretion of ADP.

Garnishment Services		Responsibility			
Area	Task / Activity	ADP	Client	Third Party	Notes
<b>Garnishment Services Implementation</b>	Provide wage garnishment data in single electronic file in ADP standard format; resubmit data if original data is returned by ADP		✓		
	Complete data conversion test and return any data errors to Client for analysis and resubmission	✓			
	Validate results of data conversion test		✓		
<b>ADP Wage Garnishment Administration</b>	Send garnishment orders, wage attachments, and garnishment-related documents (e.g., orders of release, balance statements, and employee bankruptcy filings) to ADP; provide corrections/validations for proper processing of withholding orders and information needed for garnishment, termination, leave of absence, and "unable to withhold" notifications.		✓	✓	NOTES: <ul style="list-style-type: none"> <li>ADP assumes garnishments provided to ADP are valid</li> <li>Garnishment orders may be provided by Client or Client-authorized third party(ies)</li> </ul> Garnishment-related documents received from third parties will be processed by ADP as defined below
	Process new and/or existing garnishment orders and wage attachments received; electronically store garnishment orders; enter garnishment order information into garnishment processing file and transmit to payroll system	✓			
<b>Employee Communications</b>	Notify Client employee of garnishment order and/or wage attachment requirements	✓			
<b>Non Court-Filed Communications</b>	Complete and send notifications directly to applicable third party(ies)	✓			

Garnishment Services		Responsibility			
Area	Task / Activity	ADP	Client	Third Party	Notes
<b>Court-Filed Communications</b>	Generate court-filed notifications (CFNs) using Client payroll data and Client-approved templates; apply ("flash") Client signatures and notary stamps and signatures to CFNs generated by ADP as designated and authorized by Client; submit completed CFNs to applicable courts and agencies	✓			<p>NOTES:</p> <ul style="list-style-type: none"> <li>In order to utilize flash signature functionality, Client must approve CFN templates and authorize ADP to flash as part of implementation process or otherwise prior to ADP implementing such functionality</li> <li>CFNs include the following types of correspondence for Writs of Garnishment, wage assignments, bankruptcy, Georgia state tax levies and other documentation required to be filed with a court: <ul style="list-style-type: none"> <li>Interrogatory (basic form type that do not require any legal interpretation)</li> <li>Answer of continuing lien</li> <li>Employee copy of continuing lien</li> <li>Notice of unable to withhold</li> <li>Notice of employee termination</li> <li>Notice of employee not on file</li> </ul> </li> </ul> <p>Final answer</p>
	For jurisdictions/lien types that Client has not approved for flash signature and/or notarization, send CFN worksheets pre-populated with Client payroll data to Client via PDF image files, and for states that require payment accompany notifications, send to Client via U.S. mail	✓			
	Review/modify, sign, and notarize (where required) CFN worksheets sent by ADP to Client via PDF image file or U.S. mail, and submit completed CFNs to applicable courts and agencies; retain ownership of completion of any CFNs not signed, notarized (where required), or sent		✓		
<b>Garnishment Disbursement and Funding</b>	Process garnishment payments every payroll, or according to a defined frequency (e.g., end of each month) in accordance with requirements of garnishment order	✓			
	Fund garnishment payments; process garnishment payments associated with bonus/one-time withholding orders and deductions		✓		



- 1 Client acknowledges that a portion of the setup and one-time costs for the Implementation Services have been deferred (the "Deferred Fee") and will be paid by Client as part of the ongoing fees over 24 months from the date of first live payroll processing (or an actual start date: when non-payroll ADP Products and Services are available for use by the client in a production environment) (the "Go-Live Date") commencing on \_\_\_\_\_ (the "**Deferred Period**"), with payments being calculated on a monthly basis with each monthly payment in the amount of \$2,187.50 (the "Deferred Fee Monthly Amount").
- 2 Notwithstanding the foregoing, the entire unpaid balance of the Deferred Fee shall immediately become payable at the election of the ADP in the event (a) Client should default in the payment of any installment due hereunder, which default shall not be remedied for a period of ten (10) days thereafter, (b) a petition by or against Client for relief under any bankruptcy or insolvency laws shall have been filed, or an assignment by Client or any of its property for the benefit of creditors shall have occurred, or (c) Client is in default under the terms and conditions of any other agreement by and between Client and ADP or any of ADP's affiliated companies.
- 3 If this Agreement expires or is terminated by either ADP or Client for any reason whatsoever prior to the expiration of the Deferred Period, Client will pay to ADP an amount equal to the sum of (i) the Deferred Monthly Fee Amount, multiplied by the number of months remaining in the Deferred Period as of the effective date of termination, plus (ii) any outstanding Deferred Fee Monthly Amounts which are owed by Client for any months preceding the effective date of termination.
- 4 Notwithstanding anything in the Agreement to the contrary, Client agrees that ADP may assign, sell, transfer, pledge or otherwise dispose of its rights (but none of the related obligations) under the Agreement to receive payment for Client's obligations (or portion thereof) to pay the Deferred Fee, without notice or consent of Client, to one or more assignees, and any assignee may further freely assign the same.
- 5 Client hereby waives presentment, demand for payment, protest and notice of dishonor and authorizes ADP without notice to grant extensions of time for payment hereof, and to grant other indulgences of forbearance hereunder. Client agrees that it shall pay all attorneys' fees incurred by ADP in connection with any collection proceeding under this agreement.

## US Comprehensive Services for JEA

The pricing below and associated assumptions outlined on the following pages assume a 2 Year contract term from the date on which live processing commences. After the first year of the Agreement, ADP reserves the right to increase ongoing fees on an annual basis. Any changes to the scope outlined below will require a new pricing estimate.

Ongoing Service Fees	Per Employee Per Month (AVG PEPM)	Estimated Annual Cost
<b>Comp Payroll without WFN Technology **</b>  <i>420 - Bi-Weekly (26) Employees</i> <i>Monthly Minimum for Core Service Offering \$1650</i> <i>Includes: ADP Analytics</i> <i>Includes: Document Cloud</i>	\$ 31.35	\$ 158,004.00
<b>ADP Enhanced Time / Qty - 420</b> <i>Monthly Minimum for TLM Service Offering \$1400</i>	\$ 5.23	\$ 26,334.00
<b>Administrative Fees</b> Monthly Administrative and Delivery Fees	\$275.00(per month)	\$ 3,300.00
<b>W-2 Year-end Processing Fees</b> Year one W-2 estimated	\$2.50(per form)	\$ 1,050.00
<b>Non-Paid EEs / Qty -</b>	\$ 10.40	\$ -
Postage, Shipping, Travel and other Out-of-Pocket Expenses: ADP will invoice Client for postage charges, delivery charges, other third party charges incurred on behalf of Client, and reasonable travel and out-of-pocket expenses.		
<b>ADP Data Bridge</b>	\$ 0.50	\$ 2,520.00
<b>Total Estimated Ongoing Services Fees</b>		<b>\$ 191,208.00</b>

<b>Total Implementation Fees: \$52,500.00</b> <b>24 monthly payment of \$2,187.50</b>	<b>\$ 52,500.00</b>
<i>Virtual Implementation Approach</i>	

One-Time Implementation Fees	One-time Cost
ADP Comprehensive Services, Hosting, Payroll, Training, and Guided Implementation.	\$ 32,499.20
Implementation for ADP Data Bridge	\$ 17,392.00
Management Report	\$ 2,608.80
<b>Estimated One-Time Implementation Fees</b>	<b>\$ 52,500.00</b>



Core Services Pricing Tiers (EE's) Before Discount	PEPM
1 - 500 Employees	\$ 33.00
501 - 1000 Employees	\$ 22.25
1001 -1750Employees	\$ 21.50
1751 - 2500 Employees	\$ 21.25
2501 - 3250 Employees	\$ 21.25
3251 - 5000 Employees	\$ 21.00
5001 - 7500 Employees	\$ 20.75
7501+ Employees	\$ 20.50

\*\* PEPM subject to change based on pay frequency





This matrix defines the responsibilities of ADP in delivering these services to Client throughout their life cycle, and also highlights the responsibilities remaining with the Client Team. Please note that all services are provided in accordance with standard ADP processes and methodologies. This matrix generally describes the services to be delivered.

Comprehensive Services Client Governance			Responsibility			
Area	ID	Task/Activity	ADP	Client	Third Party	Notes
<b>Overview</b>		Provide systems, services, and resources to Client in respect of its employees related to the administrative services defined in Client Statement of Service	✓			Any variance to Statement of Service is subject to the Change Control standards.
		Retain a team and other needed resources to address Client's strategic issues and other items specifically highlighted as Client responsibilities within this matrix, as well as any other items outside the scope of this matrix		✓		
		Respond to change control requests prior to commencement of work and in accordance with the Change Control standards		✓		
<b>Service Delivery Model</b>		<p>Manage delivery of service, and provide customer service support to Client for services defined in Client Statement of Service:</p> <p>ADP provides access to an assigned specialist team that will be Client's primary support resource. ADP will provide standard service center hours 8:00 am to 5:30 pm, Client local time (Clients in Hawaii will have service center access 8:00 am to 5:30 pm PST), Monday through Friday, except for scheduled downtime for training, meetings and ADP-recognized company holidays.</p>	✓			



Comprehensive Services Client Governance			Responsibility			
Area	ID	Task/Activity	ADP	Client	Third Party	Notes
		Provide customer service support to Client employees, manage third-party vendors associated with the ADP model, support ongoing processes, partner on strategic planning efforts and notify Client of any escalated issues	✓			
		Manage third-party vendors (for those third-party vendors not part of the ADP model), conduct strategic planning, develop policies, notify ADP of any internal procedural changes affecting services defined in Client Statement of Service, and assist in resolving issues escalated by Employee and Manager Service Representatives		✓		
Change Control		Projects outside the standard Statement of Service will be subject to Change Control standards. Client and ADP will work together through the Change Control standards as follows:	✓	✓		
		Client initiates project/initiative/acquisition/etc. which fall outside the standard Scope of Services. Client will complete a Change Control form to define business requirements and timing expectations		✓		
		ADP will review Change Control form and will provide estimated cost and timeframe for delivery. Activity will commence once agreed upon by Client.  ADP will provide periodic updates to ensure Client is aware of project progression, etc.  ADP will invoice Client as agreed upon in accordance with the Change Control standards (see additional change control procedures and requirements below)	✓			



## Comprehensive Services Client Governance

Comprehensive Services Client Governance			Responsibility			
Area	ID	Task/Activity	ADP	Client	Third Party	Notes
<b>Issue Escalation and Resolution</b>		<ul style="list-style-type: none"> <li>The Client will notify its ADP service team upon the occurrence of a business or technical issue impacting the delivery of ADP's services (a "Service Issue"). The Client's ADP Service Team will acknowledge and review the Service Issue, identify the appropriate resources and contact Client to devise a mutually agreeable proposal for resolving the Service Issue including the time period required for such resolution.</li> <li>If ADP and Client cannot agree upon the resolution of a Service Issue that is critical to ADP's core services within a reasonable period of time as agreed by the parties, following discovery of such disagreement, the ADP Service Team and Client shall meet (in person or by telephone) and make a good faith effort to resolve the disagreement.</li> <li>If the parties are unable to resolve the dispute, the parties will summarize the dispute in writing and forward it to ADP's Relationship Manager and a senior executive or officer of the Client. Such executives will meet (in person or by telephone) within and make a good faith attempt to resolve the dispute.</li> <li>The issue will be deemed closed when the resolution is mutually accepted by both ADP and Client.</li> </ul>	✓	✓		
<b>Inquiry Management</b>		Coordinate issue determination and resolution, escalating within ADP as needed; escalate and coordinate issues to Client retain team and/or Client carriers to assist with resolution, if required	✓			
<b>Account Governance</b>		Establish and support team members with responsibilities defined in this Section to maintain ongoing working relationship between ADP and Client		✓		



## Comprehensive Services Client Governance

Comprehensive Services Client Governance			Responsibility			
Area	ID	Task/Activity	ADP	Client	Third Party	Notes
<b>ADP Governance</b>		<p>Manage overall relationship between ADP and Client and oversee delivery of ongoing services to Client as follows:</p> <ul style="list-style-type: none"> <li>• Monitor compliance with service levels and other contractual commitments related to the services defined in this Statement of Service</li> <li>• Ensure prompt identification and facilitate prompt resolution of service delivery issues</li> <li>• Provide day-to-day support to Client</li> <li>• Provide Relationship Manager as primary point of accountability for Client</li> <li>• Provide 3 onsite visits in first year of service and quarterly onsite visits per year, thereafter to client location mutually agreed to by Client and ADP. This includes one (1) onsite employee self-service/manager self-service launch meeting in the first year of service. On request, ADP will support multiple virtual self-service launch meetings.</li> <li>• Act as point of escalation for ADP service areas, as needed</li> <li>• Escalate issues not otherwise resolved that will impact ADP/Client relationship or will prevent ADP from delivering services in accordance with mutually agreed escalation path</li> <li>• Work with Client executives to align delivery of ADP services with strategic needs of Client</li> <li>• Manage the Change Control process in accordance with the Change Control standards</li> </ul>	✓			



Comprehensive Services Client Governance			Responsibility			
Area	ID	Task/Activity	ADP	Client	Third Party	Notes
<b>Client Governance</b>		<p>Oversee Client deliverables related to services as defined in this Statement of Service as follows:</p> <ul style="list-style-type: none"> <li>• Monitor Client compliance with contractual commitments related to the services defined in Statement of Service</li> <li>• Ensure prompt resolution of service delivery issues related to Client deliverables</li> <li>• Act as primary point of contact for ADP</li> <li>• Assist ADP in resolving outstanding issues, as required</li> <li>• Escalate issues not otherwise resolved that will impact ADP/Client relationship or will prevent ADP from delivering services in accordance with mutually agreed escalation path</li> <li>• Work with ADP to establish, manage, and meet commitments, requirements, and expectations of both Client and ADP</li> <li>• Work to align delivery of ADP services with strategic needs of Client</li> <li>• Inform ADP of new corporate developments within Client organization; propose ideas and solutions based on available ADP services that may provide ongoing benefit to Client</li> <li>• Respond and assist in resolution of items identified in ongoing status reporting</li> </ul>		✓		
<b>Client Governance (Cont'd)</b>		<ul style="list-style-type: none"> <li>• Respond to any Change Control process in accordance with the Change Control standards</li> <li>• Provide at least thirty (30) days prior notification of changes in Client administrative policies and procedures</li> </ul>		✓		



## Comprehensive Services Client Governance

Comprehensive Services Client Governance			Responsibility			
Area	ID	Task/Activity	ADP	Client	Third Party	Notes
Client Team		Client Team will be responsible for providing strategic direction, supporting ongoing processes, managing non-ADP related third-party vendors, developing policies and assisting in resolving issues escalated by the ADP Service Support Team. Functional experience in Payroll, Benefits, and HR matters required to successfully support the ADP partnership.		✓		

## Change Control Procedures and Fees

**Change Control Fees.** Fees for Change Control Items are incurred for analysis, development and delivery of changes to Services. Change control requests that, when completed, will cause ADP to vary from assumptions specified in the Pricing Schedule or Executive Pricing Summary and/or the Statement of Work will result in an increase to Ongoing Service Fees.

The hourly rates for Change Control Items are as follows:

\$175.00 per hour for Implementation Services or Ongoing Services

Additionally, projects that are quoted and invoiced on a time and materials basis are invoiced based on the actual hours worked, whether that work is performed on-site or off-site, unless otherwise stated. In the event that a consultant is contracted for a one- or two-day assignment, a minimum of eight hours per day will be invoiced unless prior arrangements have been made.

**5.5.1 Change Control Procedure.** If any change in the Implementation Services or the ongoing Services occurs, including, without limitation the items specified below (each, a “**Change Control Item**”), that requires ADP to devote resources, expend time or otherwise incur costs not contemplated by this Agreement as part of the Implementation Services or the ongoing Services, as the case may be, ADP will follow the specified change control procedures prior





to devoting such resources, expending such time or incurring such costs. Certain Change Control Items are required in order for ADP to continue to perform the Implementation Services or the ongoing Services, as the case may be, and such required Change Control Items (each, a **“Required Change Control Item”**) shall not require Client’s consent, except that the fees associated with any such Required Change Control Item shall be as mutually agreed, provided that such mutual agreement shall not to be unreasonably withheld. In addition, Change Control Items may have an impact on fees for ongoing Services and ADP will notify Client of any such expected fee impact, which fee impact shall also in all cases be subject to the mutual agreement of the Parties. ADP shall not unreasonably request adjustment to fees, nor shall Client unreasonably withhold agreement to equitable fee adjustments commensurate with the additional work effort required as a result of Change Control Items. Change Control Items include but are not limited to the following:

- i. services requested or otherwise required to be provided in connection with the Implementation Services or the ongoing Services that are outside the original scope of the Implementation Services or the ongoing Services,
- ii. services requested or otherwise required to be provided in connection with the Implementation Services or the ongoing Services resulting from changes to the magnitude of scope in the Implementation Services or the ongoing Services due to the discovery or disclosure of new information since such services were accepted, or due to incorrect information upon which such services are based (a Required Change Control Item),
- iii. a change to a project deliverable after that deliverable has been accepted by the Client as complete,
- iv. failure by Client to meet project-related commitments, or failure by Client to respond in a commercially reasonable manner to reasonable requests by ADP for Client’s cooperation or for information from Client (a Required Change Control Item),
- v. additional work effort required as a result of schedule delays caused by Client (a Required Change Control Item),
- vi. failure by Client to provide an environment necessary to support the Implementation Services (i.e., workspace, personal computers, printers, administrative support, etc.) (a Required Change Control Item), and
- vii. any change must be enacted in connection with Comprehensive Benefits Services or COBRA Services (not due solely to ADP’s actions or omissions) in order for ADP to continue to perform the Services (a Required Change Control Item).

**Change Control Documentation.** Upon the occurrence of a Change Control Item, ADP will deliver to the Client a notice (a **“Change Control Request”**) setting forth (i) the details of the Change Control Item, (ii) an analysis of the impact of the Change Control Item on the Implementation Services or the ongoing Services, as applicable, including whether the Change Control Item may result in changes to expected or target completion dates, (iii) an estimate of the time, materials, and aggregate costs required to address the Change Control Item, and (iv) whether the Change Control Item is a Required Change Control Item. Client will notify ADP within 10 Business Days whether or not the Change Control Item is approved as submitted. If the Client does not respond to the Change Control Item within the specified period, the Change Control Item will be deemed to be rejected by the Client. If the Client rejects a Change Control Item, ADP may proceed to provide the Implementation Services or the ongoing Services, as applicable, without implementing the Change Control Item or ADP may dispute the rejection of the Change Control Item. The immediately preceding three sentences will not apply to a Required Change Control Item.

**Change Control Dispute Resolution.** If ADP and Client disagree as to whether an event, requirement, measure, or deliverable is subject to the change control provisions, within five Business Days of discovery of such disagreement, ADP and Client shall meet (in person or by telephone) and make a good faith effort to resolve the disagreement. If the parties are unable to resolve the dispute, the parties will summarize the dispute in writing and forward it to a senior executive of ADP and a senior executive or officer of the Client. Such executives will meet (in person or by telephone) within five Business Days of delivery



of the dispute summary and make a good faith attempt to resolve the dispute. The issue will be deemed closed when the resolution is mutually accepted by both ADP and Client.