

Introduced _____
Public Hearing _____
Council Action _____
Executive Action _____
Effective Date _____

County Council Of Howard County, Maryland

2022 Legislative Session

Legislative Day No. **6**

Bill No. 22 -2022

Introduced by: The Chairman at the request of the County Executive

AN ACT pursuant to Section 612 of the Howard County Charter, approving a multi-year Global Master Services Agreement between Howard County, Maryland and Automatic Data Processing, Inc. to process the County's payroll for a term of three years with seven one-year renewal terms; authorizing the Executive to make changes to the Agreement, under certain conditions; authorizing the County Executive to execute the Agreement; and generally relating to the Agreement.

Introduced and read first time _____, 2022. Ordered posted and hearing scheduled.

By order _____
Michelle Harrod, Administrator

Having been posted and notice of time & place of hearing & title of Bill having been published according to Charter, the Bill was read for a second time at a public hearing on _____, 2022.

By order _____
Michelle Harrod, Administrator

This Bill was read the third time on _____, 2022 and Passed ____, Passed with amendments _____, Failed _____.

By order _____
Michelle Harrod, Administrator

Sealed with the County Seal and presented to the County Executive for approval this ____ day of _____, 2022 at ____ a.m./p.m.

By order _____
Michelle Harrod, Administrator

Approved/Vetoed by the County Executive _____, 2022

Calvin Ball, County Executive

NOTE: [[text in brackets]] indicates deletions from existing law; TEXT IN SMALL CAPITALS indicates additions to existing law; ~~Strike-out~~ indicates material deleted by amendment; Underlining indicates material added by amendment

1 **WHEREAS**, Automatic Data Processing, Inc. (“ADP”) is a company that performs
2 various payroll services; and

3
4 **WHEREAS**, the County issued RFP 19-2021 for payroll and HR services and ADP was
5 selected; and

6
7 **WHEREAS**, the County and ADP wish to enter into a Global Master Services
8 Agreement (the “Agreement”), a copy of which is attached as Exhibit “A”, for a term of three
9 years with automatic renewals for seven one-year terms unless the agreement is terminated by
10 either party; and

11
12 **WHEREAS**, the Agreement requires the payment by the County of funds from an
13 appropriation in a later fiscal year and therefore requires County Council approval as a multi-year
14 agreement pursuant to Section 612 of the Howard County Charter and Section 4.118 of the
15 Howard County Code.

16
17 **NOW, THEREFORE,**

18
19 ***Section 1. Be It Enacted*** by the County Council of Howard County, Maryland that in
20 accordance with Section 612 of the Howard County Charter, it approves the terms of the Global
21 Master Services Agreement between Howard County and ADP, Inc., which shall be in
22 substantially the same form as Exhibit A attached to this Act.

23
24 ***Section 2. And Be It Further Enacted*** by the County Council of Howard County, Maryland that
25 the County Executive is hereby authorized to execute and deliver the Global Master Services
26 Agreement for such term and with such rights of renewal in the name of and on behalf of the
27 County.

28
29 ***Section 3. And Be It Further Enacted*** by the County Council of Howard County, Maryland that
30 the County Executive, prior to execution and delivery of the Global Master Services Agreement,

1 *may make such changes or modifications to the Agreement as he deems appropriate in order to*
2 *accomplish the purpose of the transactions authorized by this Act, provided that such changes or*
3 *modifications shall be within the scope of the transactions authorized by this Act; and the*
4 *execution of the Agreement by the County Executive shall be conclusive evidence of the approval*
5 *by the County Executive of all changes or modifications to the Agreement, and the Agreement*
6 *shall thereupon become binding upon the County in accordance with its terms.*

7

8 ***Section 4. And Be It Further Enacted*** *by the County Council of Howard County, Maryland that*
9 *this Act shall be effective immediately upon its enactment.*



GLOBAL MASTER SERVICES AGREEMENT

Effective Date: _____

As between:

ADP, Inc.

(Referred to in this agreement as "ADP")
One ADP Boulevard
Roseland, NJ 07068

-and-

Howard County, Maryland

(Referred to in this agreement as "Client")
3430 Court House Drive
Ellicott City, MD 21043-4300

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

- ADP Payroll Services – delivered via Enterprise HR
- Compliance Services
 - ADP Health Compliance Services
- ADP Document Cloud
- Human Resource Administration Services – delivered via Enterprise HR
- Talent Management Solutions – delivered via ADP Talent Management

ADP, Inc.

Howard County, Maryland

Signature of Authorized Representative

Signature of Authorized Representative

Printed Name

Printed Name

Title

Title

Date

Date

Appendices

- Pricing and Financial Terms
- Data Privacy Appendix



Global Master Terms and Conditions

1. Definitions

1.1. ADP HCM Services.

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

1.1.1.1. ADP Employment Tax Services. Coordination of payroll-related tax and/or regulatory agency deposits, filings, and reconciliations on behalf of employers.

1.1.1.2. 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.

1.1.1.3. 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.

1.1.1.4. 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 only to the extent the method of payment delivery is available and in scope, and online posting of pay statements to the extent applicable. Such services may be provided via ADP Check Services, ADP Direct Deposit Services and Pay Card Services.

1.1.2. Compliance Services. Compliance-related services to assist in the following:

1.1.2.1. ADP Health Compliance Services. A technology, software, and service solution to assist in managing the compliance needs related to the employer shared responsibility provisions of the Affordable Care Act (ACA), including eligibility calculations, affordability determinations, and regulatory management (provision of notices of coverage; management of exchange notices; preparation, delivery, and filing of annual IRS Forms 1094-C and 1095-C; preparation of state health coverage filings as specified by ADP; and penalty management).

1.1.3. ADP Document Cloud. Integrated solution to support maintenance and retrieval of employee-specific documents via cloud-based technology.

1.1.4. Human Resource Administration Services. Administration of human resource functions using an integrated system to process and audit employee lifecycle events, provide compliance tracking and reporting including new hire reporting, and automate notification and approval processes via self service / direct access.

1.1.5. Talent Management Solutions. Technology to facilitate the administration of talent management services, including:

1.1.5.1. ADP Compensation Management. Solutions and tools to administer the compensation planning process.

1.1.5.2. ADP Learning Management. Solutions and tools to facilitate the career and individual development of the workforce through formal and informal learning



1.2. General

1.2.1. “ADP” has the meaning set forth on the cover page.

1.2.2. “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.

1.2.3. “ADPCheck” means checks printed and distributed by ADP to Payees pursuant to Client’s direction.

1.2.4. “ADPCheck Services” refers to ADP’s payment of Client’s Payees for Permitted Payments through ADPCheck.

1.2.5. “ADP Direct Deposit Services” means ADP’s full service direct deposit services which includes ADP’s payment of Client’s Payees who have elected to receive Permitted Payments by direct deposit into an account at a financial institution of such Payee’s selection.

1.2.6. “Affiliate” means, with respect to any entity, any other entity that controls, is controlled by or under control with such first entity. For purposes of this Agreement, “control” (or variants of it) means the ability, whether directly or indirectly, to direct the management and action of an entity by means of ownership, contract or otherwise.

1.2.7. “Agencies” has the meaning set forth in Section 14.5.1.2.

1.2.8. “Agreement” means this Global Master Services Agreement, consisting of the signature pages, the Global Master Terms and Conditions, all exhibits, annexes, appendices, addenda and schedules, and each Amendment, if any.

1.2.9. “Amendment” means a written amendment to this Agreement modifying, supplementing or amending the terms and conditions of this Agreement.

1.2.10. “Approved Country” means each country in which, subject to the terms of this Agreement, Client is authorized to use or receive the Services. A list of Approved Countries for each Service is set forth in the Pricing and Financial Terms.

1.2.11. “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.

1.2.12. “Cardholder” means the Payees of Client who receive a Pay Card.

1.2.13. “Client” has the meaning set forth on the cover page.

1.2.14. “Client ACA Liaison” has the meaning set forth in Section 14.3.1.

1.2.15. “Client Content” means all information and materials provided by the Client Group, their agents or employees, regardless of form.

1.2.16. “Client Group” means Client and Client’s Affiliates listed in the Pricing and Financial Terms who are authorized to receive the Services.

1.2.17. “Client Infringement Event” means (i) any change, or enhancement in, or use of, the Services by Client Group or a third party on Client’s behalf other than at the direction of, or as approved by, ADP, or (ii) Client Group’s failure to use the most current release or version of any 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 Client).

1.2.18. “Confidential Information” means all trade secrets, processes, proprietary data and documentation and any pricing and product information, Personal Data, the terms of this Agreement, and any other information that is confidential or proprietary provided by the disclosing party to the receiving party for use in connection with the Services or this Agreement, but does not include information that (i) the receiving party already knows prior to its disclosure by the disclosing party, (ii) becomes generally available to the public, except as a result of disclosure by the receiving party in violation of this Agreement or (iii) becomes known to the receiving party on a non-confidential basis from a source other than the disclosing party.

1.2.19. “Cost Reimbursement Fee” means those amounts set forth in the Pricing and Financial Terms to be paid to ADP in the event Client terminates any Services prior to the expiration of the Initial Term, other than for material breach pursuant to Section 12.2.

1.2.20. “Court Filed Notification” has the meaning set forth in Section 14.5.2.

1.2.21. “Data Security Breach” means a security breach as defined by applicable law or any incident that compromises the confidentiality, integrity, or availability of Personal Data.

1.2.22. “Documentation” means all manuals, tutorials and related materials that may be provided or made available to Client by ADP in connection with the Services.

1.2.23. “e-IWO Program” has the meaning set forth in Section 14.5.5.

1.2.24. “Effective Date” has the meaning set forth on the cover page.

1.2.25. “Flash Signatures” has the meaning set forth in Section 14.5.3.

1.2.26. “Global Master Terms and Conditions” means the terms and conditions contained in the main body of this document following the signature pages.

1.2.27. “Go-Live Date” means the date of commencement of the first “live” processing of a given Service.

1.2.28. “Gross Negligence” means (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.

1.2.29. “Identity Verification Documents” means the documents that meet the federal requirements for verifying a Payee’s identity and eligibility to work in the U.S. (e.g., (i) a passport, (ii) a U.S. issued driver’s license or picture identification card issued by a state or U.S. federal agency and social security card, or (iii) a U.S. issued driver’s license and birth certificate).

1.2.30. “Implementation Services” means the Services to be performed in order to commence ongoing Services.

1.2.31. “Improvements” has the meaning set forth in Section 5.4.



1.2.32. “**Indemnitee**” has the meaning set forth in Section 6.3.

1.2.33. “**Indemnitor**” has the meaning set forth in Section 6.3.

1.2.34. “**Initial Term**” has the meaning set forth in Section 12.1.

1.2.35. “**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.

1.2.36. “**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.

1.2.37. “**Issuing Bank**” means the financial institution selected by ADP that issues the Pay Card.

1.2.38. “**NACHA**” means the National Automated Clearing House Association.

1.2.39. “**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.

1.2.40. “**Payment Services**” means Services that involve electronic or check payments being made by ADP to third parties on Client’s behalf and at its direction.

1.2.41. “**Pay Card**” means the pre-paid card issued to Client’s Payees for Permitted Payments.

1.2.42. “**Pay Card Services**” refers to ADP’s payment of Client’s Payees through a Pay Card issued by the Issuing Bank.

1.2.43. “**Permitted Payment**” means the legal payment of wages, commissions, consulting fees or similar compensation or work-related expenses in the employment context.

1.2.44. “**Personal Data**” means any information relating to an identified or identifiable natural person. An identifiable 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.

1.2.45. “**Regulation E**” means the Federal Reserve Board, Regulation E (12 CFR 1005).

1.2.46. “**Renewal Term**” has the meaning set forth in Section 12.1.

1.2.47. “**Services**” means the services listed on the cover page of this Agreement (including Implementation Services related thereto), as may be further described in the Service Definition, and such other services as the parties may agree to be performed from time to time.

1.2.48. “**SOC 1 Reports**” has the meaning set forth in Section 9.1.

1.2.49. “**Term**” means the Initial Term together with each Renewal Term, if any.

1.2.50. “**Transition Services**” has the meaning set forth in Section 13.1.



1.2.51. "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.

2. Provision and Use of Services

2.1. Provision of Services. ADP, or one of its Affiliates, will provide the Services to Client Group in accordance with the terms of this Agreement. 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 successfully implement the Services.

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 Countries. 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. Furthermore, if Client during the implementation process or as part of the ongoing Services configures the ADP Application Programs to process additional data elements beyond those data elements that are required by ADP to perform the Services, Client will remain solely responsible for such configurations, including the processing of Personal Data pursuant to applicable law.

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. Unless expressly included as a part of the Services, and 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 or provided to ADP in connection with the Services to the extent required by law or Client's internal policies.

3. Compliance

3.1. Applicable Laws. Each party will comply with laws and regulations that affect its business generally, including any applicable anti-bribery, export control and data protection laws.

3.2. Design of the Services. ADP will design the Services, including the functions and processes applicable to ADP's 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 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 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 satisfies Client's



obligations under applicable laws and the consequences resulting from such determinations.

3.4. Pay Card Services. Notwithstanding anything to the contrary in Section 3.2, ADP shall be responsible for compliance with requirements of Regulation E applicable to financial institutions with respect to prepaid card accounts, provided Client will fulfill the compliance responsibilities of Regulation E that Client controls, including: (a) Client will distribute to its Payees all documentation (including without limitation, Pay Card fee schedule and Cardholder Terms and Conditions) that ADP makes available to Client for distribution purposes, and (b) Client will not mandate or unduly influence that any Payee receive Permitted Payments only on the Pay Card; in lieu of such mandate, Client will provide to Payees other legally permissible options for payment of Permitted Payments. Client agrees that it will not rely solely on its use of the Pay Card Services in complying with any laws and governmental regulations and that it will comply with the financial industry rules and compliance standards imposed by various card/payment networks or associations (e.g., related to such things as card security and fraudulent or impermissible use of Pay Cards).

3.5. Data Protection Laws. During the Term of the Agreement (i) Personal Data transferred by Client or at Client's direction to ADP has been collected by Client in accordance with applicable privacy laws; and (ii) Client has the authority to provide such Personal Data to ADP under applicable privacy laws. ADP may not retain, sell (as defined by applicable privacy laws), use or disclose the Personal Data for any purpose other than as needed to perform the Services, as permitted by the Agreement, or as required by law. The Data Privacy Appendix shall supplement each party's obligations regarding data protection laws.

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 and independent contractors with a need to know the Confidential Information and will instruct those employees and independent contractors to keep such information confidential. ADP may disclose Client Group'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 Group'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. If ADP agrees to a Client request to provide ADP Confidential Information to a third party vendor of Client, Client will cause such third party to (i) use at least the same degree of care, discretion and diligence in protecting the ADP Confidential Information as the third party is required to use with respect to Client Group's Confidential Information, but in any event no less than a reasonable standard of care in protecting the ADP Confidential Information; and (ii) use the ADP Confidential Information solely for providing services to Client for Client's internal operations. 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 following expiration or earlier termination of this Agreement, such Confidential Information shall remain subject to the generally applicable statutory requirements and the confidentiality protections contained in Section 4.1.

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 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 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 solely up to the maximum number of Users (if any) indicated in the Pricing and Financial Terms. 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, 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. If Client fails to implement Improvements provided or made available to Client by ADP, ADP shall be relieved of any responsibility for errors or degradation in the Services and shall have no obligation to provide support for the ADP Application Programs.

6. Indemnities

6.1. ADP Indemnity. Subject to the remainder of this Section 6.1, and Sections 6.3 and 7, ADP will defend Client against any third party claims and will indemnify and hold Client harmless from any resulting damage awards or settlement amounts in any cause of action to the extent such cause of action is based on a claim 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 and return to Client any unearned fees prepaid by Client to ADP.

6.2. Client Indemnity. To the extent not prohibited by law and 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, provided the Indemnitor shall not agree to any settlement which (a) imposes financial obligations or restrictions on the Indemnitee, (b) constitutes an admission of guilt or wrongdoing by the Indemnitee, or (c) does not completely and forever release the Indemnitee with respect thereto, unless the Indemnitee provides prior written consent to such settlement, (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 liability in any calendar year shall exceed an amount equal to 12 times the average ongoing monthly Services fees paid or payable to ADP by Client during such calendar year for all Services (the "**Ordinary Cap**").

7.2. Extraordinary Cap. As an exception to Section 7.1, if damages arise from a breach of Section 4 (Confidentiality) or Section 9.3 (Data Security), the Ordinary Cap will be increased by an amount equal to an additional 12 times the average ongoing monthly Services fees paid or payable to ADP by Client during such calendar year for all Services (the "**Extraordinary Cap**"). For the avoidance of doubt, in no case shall either party's aggregate liability in any calendar year under this Agreement exceed an amount equal to 24 times the average monthly ongoing Services fees paid or payable to ADP by Client during such calendar year for all Services.

7.3. Matters not Subject to the Cap. The foregoing limits on liability shall not apply to the following:

7.3.1. Client's funding obligations in connection with the Payment Services;

7.3.2. Loss or misdirection of Client funds in possession or control of ADP due to ADP's error or omission;

7.3.3. In connection with the ADP Employment Tax Services, (i) 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 (ii) all tax penalties resulting from ADP's error or omission in the performance of such Service. The provisions of this Section 7.3.3 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;

7.3.4. Either party's Gross Negligence, or willful, criminal or fraudulent misconduct;



7.3.5. The infringement indemnity set forth in Sections 6.1 and 6.2;

7.3.6. Client's obligations to pay the fees for Services; and

7.3.7. ADP's obligations to provide credit monitoring as set forth in Section 10.2.

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 related 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) Gross Negligence or 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, 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) that are both directly related to those 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 maintains a commercially reasonable business continuity and disaster recovery plan and will follow such plan.



9.3. Data Security. ADP has an established information security program containing appropriate administrative, technical and physical measures to protect Client data (including Personal Data) against accidental, unlawful or unauthorized 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 Breach

10.1. Notification. If ADP becomes aware of a Data Security Breach of Client's Personal Data, ADP will take appropriate actions to contain, investigate and mitigate the Data Security Breach. ADP shall notify Client without undue delay after becoming aware that a Data Security Breach has occurred, unless otherwise required or instructed by law enforcement or regulatory authority. ADP will share information in its possession with Client for Client to determine any regulatory reporting obligations required by applicable law.

10.2. Other ADP Obligations. In the event that a Data Security Breach 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 the applicable jurisdictions.

11. Payment Terms

11.1. Client will pay to ADP the fees and other charges for the Services as set forth in the Pricing and Financial Terms.

12. Term; Termination; Suspension

12.1. Initial Term. This Agreement is effective upon the Effective Date and will remain in effect for three years (the "Initial Term"). After the Initial Term expires, this Agreement will automatically renew annually for up to seven additional one-year periods (each a "Renewal Term") unless terminated by either party upon at least 90 days prior written notice to the other party prior to the end of the Initial Term or Renewal Term, as applicable. If this Agreement terminates or expires and Client continues to receive any Services, each party's rights, duties, and obligations will continue to be governed by the Agreement, in all respects.

12.2. Termination. Either party may terminate this Agreement for the other's material breach of this Agreement if such breach is not cured within 60 days following notice thereof. In addition: (i) ADP may terminate this Agreement in the event (a) Client fails to timely pay fees for Services performed within 15 days following notice that such fees are past due, (b) the provision of Services to Client causes or will cause ADP or its Affiliates to be in violation of any sanction laws applicable to ADP or its Affiliates (such termination shall be effective immediately upon written notice); and (ii) Client may terminate this Agreement or any Service for any reason for its convenience upon 180 days' notice and payment of the Cost Reimbursement Fee (if applicable) and Deferred Fee (if applicable), each as set forth in the Pricing and Financial Terms.

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 following notice to Client (i) that Client has failed to remit sufficient, good and available funds within the deadline and via the method of delivery set forth in the Pricing and Financial Terms as it relates to the applicable Payment Services, or (ii) if Client breaches any rules promulgated by the NACHA (or other similar local regulator) as it relates to ADP conducting ACH (or similar electronic payment) transactions on behalf of Client, and (B) with 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 suspended or terminated 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 suspended or 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, and (y) reimburse ADP for all payments properly made by ADP on behalf of Client to any payee, which has not been paid or reimbursed by Client. If the Payment Services remains suspended for 30 days, the affected Payment Service shall be deemed terminated on the 31st day following suspension.

12.4. Additional Termination Provisions.

12.4.1. Additional Termination Provisions for ADP Employment Tax Services. If the ADP Employment Tax Services in the United States are terminated, Client's access to ADP websites containing Client's data will expire 90 days from the effective date of the termination, and Client will be responsible for downloading all relevant data, including Statements of Deposit (SODs) prior to the expiration of such access.

12.4.2. Additional Termination Provisions for ADP Health Compliance Services. Either party may, upon notice to the other, terminate all or any portion of the ADP Health Compliance Services if, in the case of ADP, ADP determines that it can no longer perform its obligations due to changes in or application of applicable law or if, in the case of Client, Client determines that it can no longer receive or have a need to receive all or a portion of the ADP Health Compliance Services due to changes in or application of applicable law.

12.4.3. Additional Termination Provisions for Pay Card Services. In addition to any other terms and conditions of the Agreement, ADP may terminate the Pay Card Services as follows: (i) the Pay Card Services (or any feature thereof) in any designated jurisdiction may be terminated on 60 days' notice to Client if ADP or the Issuing Bank believes that any changes in any card network rules or NACHA rules, or changes to, or interpretations of, applicable law by any federal, state or local governmental authority, or any formal or informal order, instruction or directive communicated to ADP or the Issuing Bank by such authority make it commercially impractical to continue to provide the Pay Card Services (or any feature thereof) in such jurisdiction; or (ii) the Issuing Bank cancels the Pay Cards issued on behalf of Client (e.g., due to Client's non-compliance with its obligations) or advises ADP that it is no longer willing to service the Pay Card, provided that in such later instance ADP shall take commercially reasonable steps to engage a successor Issuing Bank, and provided further that ADP shall not be liable for any delay in providing the Pay Card Services during such search for a successor Issuing Bank.

12.4.4. Additional Suspension Provisions for ADP Wage Garnishment Services. If ADP reasonably determines that it can no longer provide any or all of the ADP Wage Garnishment Services due to changes in applicable law or application of existing law, ADP may, upon notice to Client suspend the applicable portion of the ADP Wage Garnishment Services that it is no longer able to perform. Upon suspension, Client will (i) be responsible for payment of Client's wage garnishment and voluntary deduction amounts associated with that portion of the ADP Wage Garnishment Services suspended 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. In the event such suspension exceeds 30 days, such suspension shall become a termination.

13. Transition Services

13.1. Scope. Upon expiration or termination of the Services, subject to Sections 13.2 and 13.3, ADP shall provide Client and its designee(s) with reasonable transition services ("**Transition Services**") consisting of continuation of the terminated Services and, if requested by Client and mutually agreed by the parties in writing, any additional services (including technical assistance) that will be delivered at ADP's then prevailing rates. In connection with the Transition Services, ADP will not be required to provide any third party with access to ADP's



systems, intellectual property or any Confidential Information of ADP.

13.2. Performance of Obligations. During the provision of Transition Services, ADP and Client shall continue to perform their respective obligations under this Agreement, including, with respect to ADP, the provision of ongoing Services to Client and with respect to Client, the payment of all fees for such Services specified in the Pricing and Financial Terms.

13.3. Past Due Amounts. If ADP has terminated this Agreement due to Client's failure to pay fees, ADP's provision of Transition Services will be subject to Client's payment of all past due amounts and ADP may require Client to prepay for any Transition Services.

14. Additional Terms

14.1. Reserved.

14.2. ADP Employment Tax Services. The following additional terms and conditions apply to the ADP Employment Tax Services:

14.2.1. Important Tax Information (IRS Disclosure) for U.S. Only. 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; 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.

14.3. ADP Health Compliance Services. The following additional terms and conditions apply to the ADP Health Compliance Services.

14.3.1. Client ACA Liaison. Client shall designate in writing to ADP the name of one person who shall serve as ADP's principal designated contact for the ADP Health Compliance Services (the "**Client ACA Liaison**"). The Client ACA Liaison shall have the authority to (i) provide information, instructions and direction on behalf of Client, and (ii) grant or provide approvals (other than Amendments) required or permitted under the Agreement in connection with the ADP Health Compliance Services. Client shall designate an alternate Client ACA Liaison in the event the principal Client ACA Liaison is not available.

14.3.2. Disclaimer. NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED HEREIN OR IN THE SCOPE OF SERVICES, CLIENT EXPRESSLY ACKNOWLEDGES THAT ADP IS NOT THE "ADMINISTRATOR" OR "PLAN ADMINISTRATOR" AS DEFINED IN SECTION 3(16)(A) OF ERISA AND SECTION 414(g) OF THE CODE, RESPECTIVELY, NOR IS ADP A "FIDUCIARY" WITHIN THE MEANING OF ERISA SECTION 3(21). ADP SHALL NOT EXERCISE ANY DISCRETIONARY AUTHORITY OR DISCRETIONARY CONTROL RESPECTING MANAGEMENT OF ANY BENEFIT PLANS SPONSORED OR OFFERED BY CLIENT. ADP HAS NO DISCRETIONARY AUTHORITY OR DISCRETIONARY RESPONSIBILITY IN THE ADMINISTRATION OF THE CLIENT'S BENEFIT PLAN(S). ADP EXPRESSLY DISCLAIMS ANY WARRANTY, EITHER EXPRESS OR IMPLIED, INCLUDING ANY IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, NON-INFRINGEMENT, NON-INTERRUPTION OF USE, AND FREEDOM FROM PROGRAM ERRORS WITH RESPECT TO THE ADP HEALTH COMPLIANCE SERVICES, THE APPLICATION PROGRAMS OR ANY THIRD-PARTY SOFTWARE DELIVERED BY ADP.

14.3.3. Client Vendors. Client will at its own cost cause its third party vendors to send data to and receive data from ADP as required for ADP to provide the ADP Health Compliance Services. Client shall reimburse ADP for any costs relating to transmissions of data from and/or to such third party vendors.



14.3.4. Important Tax Information (IRS Disclosure): Notwithstanding Client's engagement of ADP to provide the ADP Health Compliance Services, please be aware that Client remains responsible for the timely filing of all required reports and filings, and the timely payment of Client penalty obligations. 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; an enrollment form may also be obtained by calling (800) 555-4477.

14.3.5. Additional Requirements. ADP may modify the ADP Health Compliance Services to assist ADP in complying with its obligations.

14.4. Payment Services. The following additional terms and conditions apply to the Payment Services:

14.4.1. 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.

14.4.2. 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.

14.4.3. 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.

14.4.4. 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.

14.4.5. 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.

14.5. ADP Wage Garnishment Services. The following additional terms and conditions apply to the ADP Wage Garnishment Services:

14.5.1. Description of Services; Authorization.

14.5.1.1. 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.

14.5.1.2. 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.

14.5.1.3. 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.

14.5.2. 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.

14.5.3. Flash Signatures. 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.

14.5.4. Accuracy and Timeliness of Data. Client is responsible for: (i) any errors or omissions caused by any of Client's third-party service providers, if Client does not receive ADP hosted payroll services, and (ii) 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.

14.5.5. 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 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.

14.6. ADP Wage Payment Services. The following additional terms and conditions apply to ADP Wage Payment Services:

14.6.1. ADPCheck Services. Client agrees not to distribute any ADPChecks to Payees in a manner that would allow Payees to access the associated funds before pay date. With respect to ADPChecks drawn on an ADP bank account, to request a stop payment, Client shall request such stop payment within the ADP system, and ADP shall place a stop payment order in accordance with its standard operating procedures.

14.6.2. Pay Card Services. To the extent received, Client will be responsible for securing all welcome kits to prevent unauthorized access or use.

14.6.2.1. Cardholder Set-Up. Client will set-up (or cause ADP to set-up) each Payee as a Cardholder using data and procedures required by the Issuing Bank or ADP. Client shall provide the appropriate card kit to Payees (i.e., payroll card kit for employees paid wages, commissions, or similar compensation and non-employee card kits for independent contractors). Further, Client shall obtain all necessary consents of each Payee (including those switching from another paycard program) included in submitted set-up data that is required under applicable law and rules, including NACHA, for Payee to (i) receive payments from Client on its Pay Card and (ii) participate in the Pay Card Services, and Client is responsible for reviewing and confirming that all enrollment information supplied to ADP is accurate and complete.

14.6.2.2. Prior to set-up of any Payee on the Cardholder database and distribution of a Pay Card to the Payee, Client will verify the Identity Verification Documents. Client shall obtain from the Payee and provide to ADP the following information: (a) name; (b) residential address (a P.O. Box is not acceptable); (c) date of birth; (d) social security number; and (e) personal telephone number. Client agrees to provide any additional information as may be required by ADP or the Issuing Bank. Client will not provide a Pay Card to individuals outside the United States without the express written consent of ADP. Client further agrees that ADP or Issuing Bank (directly or through a subcontractor) may seek identity information and legal documentation directly from the Payee to verify the identity of any Payee and that a Payee may be denied Pay Card Services for several reasons, including failure to validate the personal information of the Payee. For each Cardholder, Client will make and preserve either of the following: (1) a copy of the Identity Verification Documents; or (2) a description of the Identity Verification Documents, noting the date reviewed, type of document, and if applicable, the document's identification number, place of issuance and issuance and expiration date, provided Client will preserve a copy of all Identity Verification Documents for Payees who are form 1099 independent contractors. Client shall retain such documentation during the time that such Payee is a Cardholder until the earlier of (x) five years from termination of Client's obligation to make payments to such Payee or (y) five years from termination of such Payee's Pay Card account; provided, however, that in the event a longer retention period is required for the Issuing Bank or ADP to meet its legal obligations, as a result of a change in applicable law or official interpretations thereof, ADP shall provide notice of such longer retention period and Client shall retain such documentation for such longer retention period.

14.6.2.3. Enrolling Employees for Cards. Prior to providing Payee's information to ADP to issue a permanent Pay Card or Client enrolling a Payee for an instant issue Pay Card, Client shall provide each Payee with the notice required under the USA Patriot Act which reads as follows: **"IMPORTANT INFORMATION ABOUT PROCEDURES FOR OPENING A NEW PREPAID CARD ACCOUNT.** To help the government fight the funding of terrorism and money laundering activities, federal law requires all financial institutions to obtain, verify, and record information that identifies each person who opens an account. What this means for you: When you open a prepaid card account, we may require your name, address, date of birth, social security number, tax identification



number and other information that will allow us to identify you. We may also ask to see your driver's license or other identifying documents." The USA Patriot Act notice may be updated from time to time by ADP or the Issuing Bank.

Prior to or in conjunction with distributing a Pay Card to any Payee, if applicable, Client shall remove the account routing information from the card kit. Client shall not, disclose or make available any such account routing (ABA/DDA) number to any Payee and shall always direct Payees to the Cardholder services telephone number to obtain such account routing (ABA/DDA) number. Payees must accept the Cardholder Terms and Conditions, and the Pay Card may be cancelled by ADP or the Issuing Bank at any time in accordance with the Cardholder Terms and Conditions. Client will provide Cardholders with any other information and materials regarding the Pay Card Services provided to it from time to time as determined by ADP. The amounts to be loaded to each Cardholder's Pay Card will be provided to ADP by Client through one of ADP's standard payroll transmission methods available to Client or another means agreed to by ADP and Client. Wages loaded to a Pay Card do not expire.

14.6.2.4. Pay Card Status, Services and Communications. Client is responsible for ensuring that Cardholders are paid via an alternate pay method in such instances where a Cardholder's Pay Card has not been activated, has terminated, cancelled or is in inactive status and even if a Payee has consented to receive their Permitted Payments by the Pay Card. Client will direct Cardholders to ADP's Cardholder services with respect to any Card inquiries, to resolve all disputes regarding their Pay Card and to report any lost or stolen Pay Cards, provided Client will resolve disputes by Cardholders regarding amounts credited or debited to the Pay Cards at the request of Client (e.g., credits as a result of payroll). Client understands that it is not entitled to access or review any Cardholder transaction information and that it has no right to draw back any amounts funded to the Pay Card other than due to an error. Notwithstanding the foregoing, in limited circumstances (e.g., where necessary to investigate or prevent fraud) and consistent with the applicable Cardholder privacy notice, ADP may provide certain Cardholder transaction information to Client. Cardholders may receive notices, mailings and other communications related to the Card and Card features (e.g., secondary cards, card portability, reward programs, etc.) from or on behalf of ADP or the Issuing Bank.

14.6.2.5. Issuing Bank. All Pay Cards issued to Cardholders are the property of the Issuing Bank and are subject to cancellation by the Issuing Bank at any time in accordance with the Issuing Bank's Cardholder Terms and Conditions. The Pay Card Services may be modified as required by the Issuing Bank and as ADP may deem appropriate to assist ADP or the Issuing Bank in complying with its obligations, including legal and regulatory obligations.

14.6.2.6. Cardholder Fees. Client acknowledges that separate fees as set forth on the fee schedule provided in the card kit prior to activation of the Pay Card will be applied to the Pay Card and are the responsibility of the Cardholder. Such Cardholder fees are subject to change in accordance with the Cardholder Terms and Conditions applicable to the Pay Cards.

14.6.2.7. Information Requests. Client agrees that upon prior notice from ADP or the Issuing Bank, ADP, the Issuing Bank and any regulatory authorities with jurisdiction over the Issuing Bank or ADP shall have the right to inspect Client's books and records related to Client's use of the Pay Card Services and Client's performance of its obligations with respect thereto.

14.6.2.8. Third Party Beneficiary. Notwithstanding anything to the contrary in the Global Master Terms and Conditions, Client agrees that the Issuing Bank (and its respective successors and assigns) is a third party beneficiary of this Agreement, but solely as it relates to the Pay Card Services, and is entitled to enforce each of the applicable provisions against Client as well as the limit on liability provisions of Section 7 of the Global Master Terms and Conditions, including in equity and in law, as if it or they were a party hereto.

15. Miscellaneous

15.1. Amendment. Except as set forth in the Change Control Procedures set forth in the Pricing and Financial Terms, 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, 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 these Global Master Terms and Conditions and any such exhibit, annex, appendix or schedule, the Global Master Terms and Conditions 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 Maryland without giving effect to its conflict of law provisions.

15.13. Reserved.

15.14. 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 State of Maryland. The parties hereby irrevocably consent to the exclusive jurisdiction of the state and federal courts of the State of Maryland 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.

15.15. 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 or to ADP at ADP, Inc., 5800 Windward Parkway, Alpharetta, Georgia 30005, Attn: Legal Department 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 address indicated on signature page above, Attention: General Counsel.

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.



Data Privacy



Data Privacy Appendix

This Appendix is a data processing agreement under Applicable Law and supplements the existing Agreement, including Sections 3.5 (Data Protection Laws), 4.1 (Confidentiality/General), 9.3 (Data Security) and 10.1 (Data Security Breach/Notification), as may be amended from time to time, between ADP, Inc. and Client. Capitalized terms throughout this Appendix not defined in the Agreement are defined in the [ADP Privacy Glossary](#).

PART I - GENERAL

1. Processor Obligations. ADP, as a Data Processor (or equivalent term under Applicable Law), will comply with Applicable Law for Processing Client Data pursuant to the Agreement.

2. Controller Obligations. Client shall only provide ADP with Client Data that is required to perform the Services.

3. Data Access and Confidentiality. ADP Staff shall be authorized to access Client Data only to the extent necessary to provide Services and as permitted under the Agreement.

4. Transfers to Subprocessors. ADP may transfer Client Data to ADP Subprocessors and Third Party Subprocessors located outside of the country in which Client Data was collected. ADP shall comply with the requirements of Applicable Law to facilitate such transfers between ADP and ADP Subprocessors, and Third Party Subprocessors.

PART II – GDPR

5. Scope. This Part II applies solely with respect to Client Data subject to Regulation (EU) 2016/679, on the protection of natural persons with regard to the processing of personal data and on the free movement of such data (“General Data Protection Regulations” or “GDPR”). In respect of GDPR, ADP has adopted Binding Corporate Rules (“BCR”) for Client Data Processing Services (the “ADP Privacy Code”). The most current version of the ADP Privacy Code is available on ADP’s website, located [here](#), and incorporated by reference herein. The ADP Privacy Code shall apply to ADP’s processing of Personal Data on behalf of Client in its role of Data Processor in the course of delivering the Services defined in the Service Agreement, (a) where such Personal Data is: (i) collected initially by Client and Processed by ADP within the European Union (“EU”) or in Switzerland or in the UK after its exit from the EU, or (ii) collected by Client within European Economic Area (“EEA”) countries and processed by ADP in a country outside of the EEA; and (b) such Services were

designed, intended and are actually processing Personal Data as described in (a) above.

6. Controller Instructions. When receiving a Client instruction, ADP will notify Client if ADP considers such instruction violates Applicable Law; however, ADP is not obliged to and will not perform a comprehensive legal examination with respect to a Client instruction.

7. Additional Security Measures. ADP’s security measures are listed in Annex 2 of the ADP Privacy Code.

8. International Transfers. For transfers outside of the EEA, the ADP Privacy Code serves as the legal basis for the data transfer to an ADP Group Company or between ADP and an ADP Subprocessor, which the Client acknowledges and accepts. For transfers between ADP and Third Party Subprocessors, ADP shall enter into appropriate contractual agreements, such as standard contractual clauses, or rely upon any other lawful transfer mechanism prior to transferring Client Data to a Third Party Subprocessor.

9. Subprocessors. For purposes of GDPR, an up-to-date list of ADP Subprocessors and Third Party Subprocessors, including locations, is accessible [here](#); such list may be updated from time to time. ADP Subprocessors are bound by the ADP Privacy Code. Third Party Subprocessors are bound by relevant contracts that impose data protection terms that are not less protective than those imposed by this Appendix. Within 30 days of an update adding a new Subprocessor, the Client may object to such new Subprocessor by providing written notice to ADP alleging objective justifiable grounds that such Subprocessor is unable to protect Client Data. If the parties cannot reach a mutually acceptable solution, ADP shall, at its option, either (a) not allow the Subprocessor to access Client Data or (b) allow Client to terminate the relevant Services in accordance with the terms of the Service Agreement.

10. Assistance. ADP, as a Data Processor, will assist Client, as a Data Controller, with its obligations under GDPR as required under



Applicable Law. This assistance may include, assisting Client in responding to and addressing Client Employee individual rights requests and complaints as well as providing Client with relevant information for conducting data protection impact assessments (DPIAs). If such assistance requires resources on the part of ADP, this effort will be chargeable to Client upon prior notice. ADP shall promptly forward the Client Employee request to Client if ADP receives a request directly from a Client Employee.

11. Client Audit. ADP will address Client audit requests as described in this Section 11. ADP will answer questions asked by Client regarding the Processing of Client Data by ADP. In the event Client reasonably considers that the answers provided by ADP justify further analysis, ADP will, in agreement with Client, either:

- (a) provide a statement to the Client from a qualified independent third party assessor certifying that the ADP business processes and procedures that involve the Processing of Client Data comply with this Appendix; or,
- (b) make the facilities it uses to Process Client Data available for an audit by a qualified independent third-party assessor reasonably acceptable to ADP, bound by confidentiality obligations satisfactory to ADP and engaged by Client. The Client will provide a copy of the audit report to ADP's Global Chief Privacy Officer which

will be ADP confidential information. Audits shall be conducted no more than once per year during the term of the Service Agreement during regular business hours, and will be subject to (i) a written request submitted to ADP at least 45 days in advance of the proposed audit date; (ii) a detailed written audit plan reviewed and approved in advance by ADP's security organization; and (iii) ADP's on-site security policies. Such audits will take place only in the presence of a representative of ADP's global security office, ADP's global data privacy & governance team, or such person designated by the appropriate representative. The audits shall not be permitted to disrupt ADP's Processing activities or compromise the security and confidentiality of Personal Data pertaining to other ADP Clients. ADP may charge Client a reasonable fee for such audit.

12. Maintaining Authorization. ADP has obtained EU authorization of its ADP Privacy Code and will make commercially reasonable efforts to maintain the EU authorization of its ADP Privacy Code for the duration of the Service Agreement and will promptly notify Client of any subsequent material changes in the EU authorization of its ADP Privacy Code.

PART III - Miscellaneous

13. Order of Precedence. In the event of a conflict between the Service Agreement, this Appendix, the ADP Privacy Code and Applicable Law, then the conflict will be resolved by giving effect to such in the following order of precedence, unless otherwise expressly set forth in this Appendix: (1) Applicable Law; (2) the ADP

Privacy Code (if applicable); (3) this Appendix; and (4) the Service Agreement.

14. Scope. This Appendix provides no additional rights to a Client Employee that are not already provided under the Applicable Law to which the Client Employee is subject.



Pricing Appendix (Pricing and Financial Terms)



I. Financial Detail

The fees listed in the table(s) below are based on the Services and volumes in the assumptions in Section III (Assumptions).

One-time Fees	Quantity	One-time Cost	Based On
ADP HR and Payroll Services		\$0.00	
Enterprise HR		\$0.00	
ESS		\$0.00	
Manager Self Service	1	\$0.00	
Document Cloud		\$0.00	
Talent Management Solutions		\$26,500.00	
Compensation Management		\$13,250.00	The Implementation Fees assume that all modules will go live within 35 weeks from the earlier of the date hereof or the date of any letter of intent under which ADP commences implementation of the Services. If all modules do not go live within 35 weeks from such date, and such delay is attributable to Client's failure to deliver its required deliverables and/or meet its other obligations in accordance with the deadlines or complete its tasks or meet its other requirements set forth in the SOW, then such delay shall be a "Required Change Control Item" as set forth in Section 5.5.1 of this Pricing Appendix.
ADP Learning Management System		\$13,250.00	
Additional fees for Phased Implementation		\$0.00	
ADP Health Compliance Services		\$0.00	
ADP Health Compliance Services Implementation		\$0.00	
Total One-time Fees		\$26,500.00	

OnGoing Service Fees	Rate	Frequency	Based On
ADP HR and Payroll Services			
per each report A19-M00020-POLICE/FIRE RETIREMENT REPORT FRINGE BENEFIT REGISTER PAYROLL MANAGEMENT REPORT LEAVE BALANCE HOURS REPORT A22-M00059-HOWARD COUNTY	\$56.00	Report	



OnGoing Service Fees	Rate	Frequency	Based On
RETIREMENT REPORT NATIONWIDE CONTRIBUTIONS			
per each reportC02-M00044-MD FILEPRDR8.080&HC TAPE-RETIREMENT MD FILEPRDR8.080&HC TAPE-RETIREMENT MD FILEPRDR8.080&HC TAPE-RETIREMENT, C01-M00047-MD FILEPRDR8.080&HC TAPE-RETIREMENT MF DATA EXCHANGE PAY DATA EXCHANGE	\$0.00	Report	
Onboarding	\$0.00	pay	
Year End Processing - W-2	\$4.73	Form	Includes W-2's and Earnings Summary Statements
Wage Garnishments Processing Service (WGPS) - Service	\$0.00	pay	
Wage Garnishments Processing Service (WGPS) - Payments	\$1.80	payment	
Payroll Processing	\$1.50	pay	Includes Pays, PQV Net, Check View, W-2/1099 Reports, Labor Distribution, Multi Jurisdiction Feature, Payroll QuickView, Benefit Accruals
Enterprise HR *	\$3,500.00	month	
ADP Self Service for Enterprise HR	\$0.00	ee/month	
Document Cloud	\$0.00	month	
Base Hosting	\$3,000.00	month	
Full Service Direct Deposit (FSDD)	\$0.05	transaction	
ADP Check	\$0.12	transaction	
ADP iPayStatements	\$0.14	pay	
iReports	\$0.02	pay	
ADP GL	\$0.10	pay	
Multi-Jurisdiction Reporting	\$15.00	report	
Employment Tax Services	\$0.06	pay	
State/Local Fees	\$9.00	jurisdiction	First state and local jurisdiction per company code included at no charge
Talent Management Solutions			
ADP Compensation Management	\$1.34	PEPM	
ADP Learning Management System	\$0.94	PEPM	
150 Course Content Bundle	\$1.80	PEPM	
ADP Health Compliance Services			
Health Compliance Services - Comprehensive	\$1.00	PEPM	Includes eligibility calculation, affordability determination, notices of coverage, annual IRS Forms 1094-C and 1095C, exchange notice management, and penalty management



ADP will continue to charge Client at the current rates for any components of Services received by Client that are not specifically listed in this appendix.

II. Additional Services

Subject to Section IV. (Fee Adjustments), the fees for certain additional services are listed in the table below. These fees are based on the scope of work outlined, including the roles and responsibilities listed in Exhibit A – Implementation Service Definition, and will be charged at the applicable rates as they occur. These fees are also charged if the volumes in Section III (Assumptions) are exceeded.

Category	Item Description	Units Included in Fees	Rate per Unit (or ADP Prevailing Rate)	Frequency	Based on
ADDITIONAL SERVICES					
Payroll Processing					
Pays/ Distribution	ADP Check Early Check Cashing Fee	0	\$35.00	Per transaction	
	Direct Mail Services	0	First Class Postage plus \$0.10	Per item	- Per item mailed
	Management Reports	0	\$30/ regular processing \$80 / quarterly or annual	Per processing	
	Adjustment Payrolls	0	\$75 plus	Per processing	- \$75 per processing plus Client's per pay rate for each pay adjustment
	Wisely Now Check Stop Payment	0	\$10.00	Per transaction	-\$10 Per Void/Stop payment
	Wire Fees, Voids, Stop Payments, recalls and reversals	0	\$12.00	Per wire	Applies to: - Reverse wire - Direct wire
Hosting Services					
Hosting	Additional Client Requested Databases - Temporary or Permanent	0	\$1575.00	Monthly	- Per database per month (excluding the one (1) production instance included in base hosting fee)
ADP Employment Tax Services					
State/Local Fees	Tax Jurisdictions in Applied For Status	0	\$50.00	Per occurrence	- Per state per month
	Tax Registration Services	0	\$150.00	Per transaction	
Amendments	Amended Return	0	\$100.00	Per occurrence	- Applies to all Federal, State, Local, SIT, SUI returns
SSN Changes	Social Security Number Change	0	\$55.00	Per occurrence	- Applies to SUI, State Recon, Local Recon
Exceptions	Exception Return	0	\$150.00	Per occurrence	Applies to: - Federal 941, 942, 944, 945, 1086, W-3C - FUTA, SIT and SUI - CA - NJ SIT/SUI - State Recon and State 1096 - Local, Local Recon and Local 1096
	Re-close Fee	0	\$50.00	Per occurrence	



III. Assumptions

The fees in this Appendix are based on the assumptions below, and in Section IV (Financial Terms) of this Appendix. If Client's actual requirements vary from what is stated, the parties will negotiate in good faith to adjust the fees based on those variances. Additional fees may apply to any customizations to any Service agreed to by the parties.

Category	Item Description	Units Included in Fees	Rate per Unit (or ADP Prevailing Rate)	Based on
VOLUME ASSUMPTIONS				
Implementation Services				
Data Conversion	Payroll Data Conversion Sources	2	Included	- Electronic files will be provided to ADP based on ADP's required file formats and mapping legends - ADP will complete conversion of employee level indicative data and QTD and YTD accumulator balances (if applicable) for testing - Client will be required to complete dual maintenance after initial conversion through Go Live
	Payroll Data Mapping	2	Included	- Mapping support will be provided by ADP
	Tax Conversion Sources	1	Included	- Tax Conversion included for current year - Client to provide company and employee Controls Totals for taxes and taxables by Federal Employer Identification Number (EIN) jurisdiction for federal, state, and applicable local taxes
	Balance Conversion Sources	1	Included	- Included only for mid-year start (other than January 1) - Client to provide employee level balances and control totals in ADP-defined format
	Conversion of Current Employee Election and Dependent Data	1	Included	- Convert current election and dependent data from single file provided by Client in ADP Standard format - Does not include beneficiary data
System Configuration	Payroll	Included	Included	- Assumes defined pay practices, no significant changes during implementation of pay practices and policies
	Payroll - Development of TLM and Other Paydata Files	Not Included	Not Included	- Client (or Client's vendor) is responsible for developing any External Paydata Input (EPIP) file(s), in ADP's format, for any time and labor data collection for non-ADP systems (e.g., hours and earnings from third party source)
Validation	Parallel Testing - Test Files	2	Included	- Client will perform up to two full parallel tests based on the standard ADP methodology - Full parallel tests assume end-to-end testing of entire populations, processes and interfaces - Client will be responsible for data integrity and will perform data cleansing prior to each conversion with a final signoff procedure before Go Live
General Ledger	GL Charts of Account	1	Included	
Payroll Processing				
Populations	Pay Frequencies	2	Included	
	Company Codes / Pay Groups	2	Included	
	Employees Paid Bi-Weekly	3,340	Included	-Processing for up to 3,340 employees paid bi-weekly included



Category	Item Description	Units Included in Fees	Rate per Unit (or ADP Prevailing Rate)	Based on
	Employees Paid Monthly	105	Included	-Processing for up to 105 employees paid monthly included
Pays/ Distribution	Payment Transactions	88,100	Included	
ADP Dependent Verification Services				
Populations	Benefit Eligible Employees	3,653	Included	
ADP Talent Management Solutions				
Populations	Compensation Management	3,361	Included	-Compensation Management includes the following: -QA Support -1Cycle of UAT
System Configuration	Compensation Plan	1	Included	- Compensation Management will be configured to support 1 plan
	Compensation Award	5	Included	- Compensation Management will be configured to support up to 5 Base Pay Awards per Compensation Plan
	Compensation Bonus Award	2	Included	- Compensation Management will be configured to support up to 2 Bonus Awards per Compensation Plan
	Compensation Stock Award	2	Included	- Compensation Management will be configured to support up to 2 Stock Awards per Compensation Plan
	Compensation Groups	20	Included	- Compensation Management will be configured to support up to 20 groups for each pay element within a Compensation Plan
Client Practitioners	Client Name Contacts	5	Included	- Includes up to 5 Client Named Contacts who may contact the ADP Support Team.
ADP Health Compliance Services				
Populations	Total Employees	3,468	Included	Includes Employees in Active or Leave of Absence status.
	Benefit Eligible Employees	3,361	Included	

IV. Financial Terms

A. **Initial Term:** The Initial Term will expire three years from the Effective Date.

B. **Client Group and Approved Countries:** The Client Group includes the following entities:

Client and its Affiliates (if any) in the country(ies) identified in Section I (Financial Detail), and any Affiliates (if applicable) as may be agreed to by the parties.

The Approved Country is the United States of America.

C. **Implementation:** The following fees (“Implementation Fees”) are due and payable by Client as follows:

1) Implementation Fees will be billed in the month of the first live processing.

D. **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.



E. **Early Termination Fee:** If Client terminates any or all of the Services prior to the expiration of the Initial Term for any reason, except for ADP's material breach pursuant to Section 12.2 of the Agreement, Client will pay to ADP an Early Termination Fee equal to A multiplied by B multiplied by C, where A equals the number of months remaining prior to the expiration of the Term at the effective date of termination, and B equals the average monthly fee for the terminated Services during the twelve-month period immediately preceding the termination (or a shorter period of time if monthly fees have been payable for less than 12 months at the termination date), and C equals thirty percent (30%). If monthly fees for Services have not yet been payable at the time of termination, B will equal the estimated monthly fees that would have been payable under this Agreement. In the case of a partial termination, ADP may equitably adjust the fees for the remaining Services, and Client will be responsible for any reconfiguration work.

F. **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.

G. **Funding Requirements and Disbursement Disclosure:**

a) For ADP Employment Tax Services, Client will provide:

Tax Liability Impounding Schedule

- What: All Federal, state and local withholding, Social Security/Medicare (FICA) employee withholding and employer contribution, and FUTA and SUI contributions
- Method: Reverse wire to ADP
- Timing: By 6:00 a.m. Pacific time on the Business Day immediately before the associated payroll check date

b) For ADP Wage Garnishment Services and Fees, Client will provide:

Funding

- What: Wage garnishment information, deductions and liabilities
- Method: Reverse wire to ADP
- Timing: By 6:00 a.m. Pacific time on the date that is one Business Day prior to the associated payroll check date

H. **Fee Adjustments:**

- 1) The fees set forth in this Appendix will remain fixed during the Initial Term. After the Initial Term, ADP may modify the fees on an annual basis upon 30 days' prior written notice to Client, provided, however, that fee increases for years four through ten will be four percent (4%) per year if Client provides notice of its intention to renew at least 90 days prior to the expiration of the Initial Term and each Renewal Term. The early termination fee as set forth in section IV.E. of this Appendix will apply if Client terminates for convenience during a Renewal Term in which the fee increase is four percent (4%) per this section.

I. **Change Control:**



In the event either party requests a change in the scope of the Services (including Implementation Services) (each a “**Change Control Item**”), the parties shall address such change request via ADP’s change control process. Change Control Items and the cost associated with such changes (if any) to the Services shall be mutually agreed to by the parties, with the exception of Change Control Items that are required to be made by law or regulation applicable to the Services or to the duration of Implementation Services, which ADP will notify Client of prior to making such change.

- 1) The standard hourly rate for a Change Control Item is \$185.00; provided, however, that ADP may increase that rate as follows:
 - (a) By 50% for Change Control Items requested by Client after October 1st which ADP agrees to deliver by January 31st;
 - (b) By 25% if, after receiving a Change Control Notice, the Client requests an expedited timeframe for completion of the Change Control Item.
- 2) Maintenance Fees for System Modifications: Client may request modifications to the ADP system and will pay all costs related to development of those system modifications, plus an annual system technology maintenance fee equal to 18% of the total one-time fee for a Change Control Item for system modifications made after implementation.