

**COBB COUNTY, GA**

**Contract #18221**

*for*

Workforce Management Systems and Related Products,

Services and Solutions

*with*

**Kronos SaaShr, Inc.**

Effective: March 18, 2019

The following documents comprise the executed contract between the Cobb County, GA, Kronos SaaSr,Inc., effective March 18, 2019:

- I. Vendor Master Agreement Reference No. 18221 and Signature Form
- II. Kronos SaaSr, Inc. Terms and Conditions for Participating Public Agencies

Reference Number	
Reference Depart.	Purchasing Department

Reference No. 18221

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 Master Agreement
 

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Owner: Cobb County Board of Commissioners  
100 Cherokee Street  
Marietta, GA 30090

Contractor: Kronos SaaS, Inc.  
3040 Route 22 West, Suite 200  
Branchburg, NJ 08876

Description: **WORKFORCE MANAGEMENT SYSTEMS AND RELATED PRODUCTS, SERVICES AND SOLUTIONS:** The undersigned parties understand and agree to comply with and be bound by the entire contents of Sealed Bid #18-6390 ("the RFP") and the Contractor's Proposal submitted September 27, 2018 which is incorporated herein by reference. Contractor understands and agrees that insurance required in the Request for Proposals are to be kept current at all times through the length of each term and for ninety (90) days following the completion of each term. Insurance must be renewed and presented to the Owner at the time of each renewal term if Owner chooses to renew. Insurance shall be written by a firm acceptable to the Owner as specified in the Request for Proposals.

**U.S. COMMUNITIES GOVERNMENT PURCHASING ALLIANCE:** Contractor agrees to enter into the U.S. Communities Administration Agreement that is included in the RFP and the memorandum of understanding with U.S. Communities ("Administration Agreement"). Any Public Agency, as defined in the Administration Agreement, may purchase Products and Services at the prices indicated in the Contractor's Proposal upon prior registration with U.S. Communities, and in accordance with the terms of the Administration Agreement.

Terms: **March 18, 2019 to March 17, 2022** with full renewal options per the Request for Proposals. Owner shall exercise renewal options by issuance and delivery to Contractor of a written notice to renew this agreement. Orders executed with public entities in the state of Georgia shall be in compliance with multi-year contract provisions of O.C.G.A. Section 36-60-13. The products and services which are subject to this Master Agreement are also covered by the applicable Contractor commercial service or maintenance terms and conditions incorporated as Appendix A. The term of the Commercial service or maintenance terms and conditions shall be governed by that applicable order and may extend beyond the expiration date of this Master Agreement. In the event of conflicting language between the Terms and Conditions of the Master Agreement, including the RFP, and the terms and conditions contained in Appendix A, the Master Agreement shall prevail.

Price: Prices for services and equipment, if applicable, as stated in the Contractor's proposal

Billing: For purchases made by Cobb County Government, all original invoices shall be submitted directly to the Cobb County Finance Department. Invoices shall bill only for items received during the period covered by the invoice and shall clearly identify such items in accordance with invoicing guidelines in the Sealed Bid Proposal. For purchases made by participating public agencies, the Contractor shall comply with each agency's invoicing and billing requirements outlined on the applicable order.

{SIGNATURES ON NEXT PAGE}

IN WITNESS, WHEREOF, this Agreement has been executed by Owner and accepted by Contractor to be effective as of the date first above written.

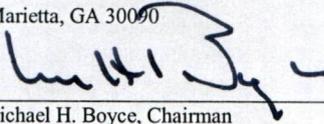
**APPROVED**  
**PER MINUTES OF**  
**COBB COUNTY**  
**BOARD OF COMMISSIONERS**

2-12-2019



*Cobb County... Expect the Best!*

Cobb County Board of Commissioners  
100 Cherokee Street  
Marietta, GA 30060



Michael H. Boyce, Chairman  
Cobb County Board of Commissioners

3-5-2019

Date



Kronos SaaS, Inc.  
3040 Route 22 West, Suite 200  
Branchburg, NJ 08876



Authorized Signature

President

Title

2/25/19

Date

FEDERAL TAX ID NUMBER

45-0474844

Approved as to form



County Attorney's Office

3/4/19

Date

KRONOS TERMS AND CONDITIONS FOR PARTICIPATING PUBLIC AGENCIES ADMINISTERED BY US COMMUNITIES (092018)

KRONOS TERMS

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A PARTICIPATING PUBLIC AGENCY (“CUSTOMER”), BY SIGNING AN ORDER FORM OR PURCHASE ORDER WITH KRONOS SAASHR INC., AGREES TO THE APPLICATION OF THESE TERMS AND CONDITIONS FOR ALL PRODUCTS, SERVICES AND OFFERINGS SET FORTH ON SUCH ORDER FORM (OR PURCHASE ORDER) WHICH REFERENCES THESE TERMS AND CONDITIONS.

SECTION A: [GENERAL TERMS AND CONDITIONS](#). This Section apply for all transactions.

SECTION B: [KRONOS WORKFORCE READY SAAS TERMS AND CONDITIONS](#). This Section applies only for Workforce Ready transactions.

SECTION C: [PAYROLL PROCESSING SERVICES](#). This Section applies to the Workforce Payroll Services.

## SECTION A: GENERAL TERMS AND CONDITIONS

### 1. APPLICATION OF THESE TERMS

These terms and conditions apply to each order accepted by Kronos SaaS Inc. ("Kronos") from an eligible Participating Public Agency ("Customer") for all Kronos Equipment, Software, Professional and Educational Services, Support and such other Kronos offerings, as specified on an order form (an "Order").

In addition to the terms set forth in this Section A: General Terms and Condition, the following sections apply for the specific offering referenced:

- (i) Section B shall apply to the Workforce Ready SaaS Orders; and
- (ii) Section C shall apply to Workforce Payroll Services.

All orders are subject to the approval of Kronos' corporate office in Lowell, Massachusetts. This Agreement and the Order Form shall supersede the pre-printed terms of any Customer purchase order or other Customer ordering document, and no such Customer pre-printed terms shall apply to the items ordered.

### 2. APPLICABLE LAWS

This Agreement shall be governed by the state law in which Customer is based, provided however, if such jurisdiction has adopted the Uniform Computer Information Transactions Act (UCITA), or such other similar law, the parties expressly agree to "opt-out" of and not be governed by UCITA or such other similar law. The parties waive the application of the United Nations Commission on International Trade Law and United Nations Convention on Contracts for the International Sale of Goods as to the interpretation or enforcement of this Agreement.

### 3. EXPORT

Customer acknowledges that the Equipment and Software may be restricted by the United States Government or by the country in which the Equipment or Software is installed from export to certain countries and certain organizations and individuals, and agrees to comply with such laws. Customer agrees to comply with all applicable laws of all of the countries in which the Equipment and Software may be used by Customer. Customer's obligations hereunder shall survive the termination or expiration of the Order Form. Customer must obtain Kronos prior written consent before exporting the Software.

### 4. CONFIDENTIAL INFORMATION

"Confidential Information" is defined as information that is: i) disclosed between the parties after the date of this Agreement that is considered confidential or proprietary to the disclosing party; and ii) identified as "confidential" at the time of disclosure, or would be reasonably obvious to the receiving party to constitute confidential information because of legends or other markings, by the circumstances of disclosure or the nature of the information itself. Additionally, Customer acknowledges and agrees that the Software (and Software documentation), and the Specifications shall be deemed to be Kronos' Confidential Information and trade secret. Each party shall protect the Confidential Information of the other party with at least the same degree of care and confidentiality, but not less than a reasonable standard of care, which such party utilizes for its own information of similar character that it does not wish disclosed to the public. Neither party shall disclose to third parties (except the parent company or the wholly owned subsidiaries of the receiving party who have a need to know) the other party's Confidential Information, or use it for any purpose not explicitly set forth herein, without the prior written consent of the other party. Notwithstanding the foregoing, a party may disclose Confidential Information to the extent required: (a) to any subsidiary or affiliate of such Party, or (b) to any consultants, contractors, and counsel who have a need to know in connection with the Agreement and who are under obligations of non-disclosure agreement at least as stringent as this section 4, or (c) by law (including the applicable public record laws), or by a court or governmental agency, or if necessary in any proceeding to establish rights or obligations under the Agreement; provided, the receiving party shall, unless legally prohibited, provide the disclosing party with reasonable prior written notice sufficient to permit the disclosing party an opportunity to contest such disclosure. If a party commits, or threatens to commit, a breach of this Section 4, the other party shall have the right to seek injunctive relief from a court of competent jurisdiction. The obligation of confidentiality shall survive for three (3) years after the disclosure of such Confidential Information.

This Agreement imposes no obligation upon either party with respect to the other party's Confidential Information which the receiving party can establish by legally sufficient evidence: (a) was rightfully possessed by the receiving party without an obligation to maintain its confidentiality prior to receipt from the disclosing party, (b) is generally known to the public without violation of this Agreement; (c) is obtained by the receiving party in good faith from a third party having the right to disclose it without an obligation with respect to confidentiality; (d) is independently developed by the receiving party without use of the disclosing party's confidential information, which can be shown by tangible evidence.

### 5. TAXES

If Customer presents to Kronos a validly issued tax-exempt certificate, or other sufficient evidence of tax exemption, Customer shall not be liable for those taxes for which Customer is exempt. Otherwise, Customer agrees to pay all other applicable duties and customs fees relating to this Agreement, as well as all taxes levied or based on the products, services or other charges hereunder, including federal, state and local sales and excise taxes, and any taxes or amount in lieu thereof paid or payable by Kronos, exclusive of taxes based on Kronos net income or business privilege.

### 6. TRAVEL EXPENSES

Customer agrees to reimburse Kronos for all pre-approved, reasonable and necessary travel incurred by Kronos in the performance of its obligations under this Agreement, in accordance with the Kronos Travel and Expenses Policies as such mutually agreed policies or as mutually agreed between the parties in the statement of work. Customer further agrees to pay any travel expenses such as airfare, lodging, meals and local transportation, incurred by Kronos in the performance of its obligations under this Agreement provided such expenses comply with the Agreement. Customer will be billed by Kronos for such travel expenses and payment thereof shall be due net 30.

### 7. GENERAL

- (a) The invalidity or illegality of any provision of this Agreement shall not affect the validity of any other provision. The parties intend for the remaining unaffected provisions to remain in full force and effect.
- (b) Customer shall not assign this Agreement or the license to the Software without the prior written consent of Kronos and any purported assignment, without such consent, shall be void.
- (c) Neither Party shall be responsible for any failure to perform or delay in performing any of its obligations under this Agreement (other than a failure to comply with payment obligations) where and to the extent that such failure or delay results from an unforeseeable event beyond a party's reasonable control, including but not limited to, acts of war; acts of nature; earthquake; flood; embargo; riot; sabotage; labor shortage or dispute;

changes in government codes, ordinances, laws, rules, regulations or restrictions; failure of the Internet; terrorist acts; failure of data, products or services controlled by any third party, including the providers of communications or network services; utility power failure; material shortages or unavailability or other delay in delivery not resulting from the responsible party's failure to timely place orders therefor, or lack of or delay in transportation (each a "Force Majeure Event").

(d) All notices given under this Agreement shall be in writing and sent postage pre-paid, if to Kronos, to the Kronos address on the Order Form, or if to Customer, to the billing address on the Order Form.

(e) The section headings herein are provided for convenience only and have no substantive effect on the construction of this Agreement.

(f) The parties agree that the Order signed by both parties and expressly reference this Agreement, which is delivered via fax or electronically delivered via email it shall constitute a valid and enforceable agreement.

(g) This Agreement and any information expressly incorporated herein (including information contained in any referenced URL), together with the applicable Order Form, constitute the entire agreement between the parties for the products and services described herein and supersede all prior or contemporaneous representations, negotiations, or other communications between the parties relating to the subject matter of this Agreement. This Agreement may be amended only in writing signed by authorized representatives of both parties. Customer understands and acknowledges that while Kronos may disclose to customers certain confidential information regarding general product development direction, potential future products and/or product enhancements under consideration, Customer is not entitled to any products or product enhancements other than those contained on the Order Form. Customer has not relied on the availability of any future version of the Software or Equipment identified on an Order Form, nor any other future product in executing this Agreement.

(h) Use, duplication, or disclosure by the United States Government is subject to restrictions as set forth in subparagraph (c) (1) (ii) of the Rights in Technical Data and Computer Software clause at DFARS 252.227-7013, or subparagraph (c)(1)(2) of the Commercial Computer Software Restricted Rights clause at FAR 52.227-19, as applicable. Manufacturer/distributor is Kronos SaaS Inc., 297 Billerica Road, Chelmsford, MA.

(i) The JBoss® Enterprise Middleware components embedded in the Software are subject to the End User License Agreement found at [http://www.redhat.com/licenses/jboss\\_eula.html](http://www.redhat.com/licenses/jboss_eula.html).

(j) Customer may pay an invoice by credit card if the amount is not greater than \$50,000.00.

(k) Kronos agrees to comply with any applicable federal, state and local laws and regulations.

(l) Additionally, Kronos agrees to be liable for tangible property damage or personal injury to the extent caused by the negligence or willful misconduct of its employees.

**SECTION B**  
**KRONOS WORKFORCE READY® - SOFTWARE AS A SERVICE TERMS AND CONDITIONS**

Customer and Kronos agree that the terms and conditions set forth in this Section B shall apply to the Kronos supply of the commercially available version of the Workforce Ready® SaaS Applications in Kronos' hosting environment, the services related thereto, and the sale or rental of Equipment (if any) specified on a Kronos Order Form. The Applications described on the Order Form shall be delivered by means of Customer's permitted access to the Kronos infrastructure hosting such Applications.

**1. DEFINITIONS**

**"Agreement"** means these terms and conditions and the Order Form(s).

**"Application(s)"** or **"SaaS Application(s)"** means those Kronos software application programs set forth on an Order Form which are made accessible for Customer to use under the terms of this Agreement.

**"Billing Start Date"** means the date the billing of the Monthly Service Fees commences as indicated on the applicable Order Form. The Billing Start Date of the Monthly Service Fees for any Services ordered by Customer after the date of this Agreement which are incremental to Customer's then-existing Services shall be the date the applicable Order Form is executed by Kronos and Customer.

**"Customer Content"** means all content Customer, or others acting on behalf of or through Customer, posts or otherwise inputs into the Services.

**"Documentation"** means technical publications published by Kronos relating to the use of the Services.

**"Educational Content"** has the meanings ascribed in Section 7.3.

**"Equipment"** means the Kronos equipment purchased or rented by Customer under this Agreement.

**"Initial Term"** means the initial term of the Services as indicated on the Order Form.

**"Monthly Service Fee(s)"** means the monthly fees described in an Order Form. Monthly Service Fees include fees for usage of the Applications, the Services, and Equipment rental, if any. Billing of the Monthly Service Fee(s) commences on the Billing Start Date.

**"Order Form"** means an order form mutually agreed upon by Kronos and Customer setting forth the items ordered by Customer and to be provided by Kronos and the fees to be paid by Customer.

**"Personally Identifiable Data"** means information concerning individually identifiable employees of Customer that is protected against disclosure under applicable law or regulation.

**"Renewal Term"** means the renewal term of the Services as indicated on the Order Form.

**"Services"** means (i) accessibility to the commercially available version of the Applications by means of access to the password protected customer area of a Kronos website, and all such services, items and offerings accessed by Customer therein, and (ii) the Equipment rented hereunder, if any.

**"Supplier"** means any contractor, subcontractor or licensor of Kronos providing software, equipment and/or services to Kronos which are incorporated into or otherwise related to the Services.

**"Term"** means the Initial Term and any Renewal Terms thereafter.

**2. TERM**

**2.1** The Services shall commence on the Billing Start Date, and shall continue for the Initial Term or until terminated in accordance with the provisions hereof. At the expiration of the Initial Term and each Renewal Term as applicable, the Services shall automatically renew for additional Renewal Terms until terminated in accordance with the provisions hereof.

**2.2** Customer may terminate the Services and this Agreement for convenience upon ninety (90) days prior written notice subject to Customer's payment of the Services performed and Equipment delivered prior to the effective date of termination. Kronos may terminate the Services and this Agreement to be effective at the expiration of the then current Term upon no less than sixty (60) days prior written notice.

**2.3** Either party may terminate the Services and the Agreement upon a material breach of the Agreement by the other party if such breach is not cured within fifteen (15) days after receipt of written notice. Notwithstanding the foregoing, Kronos may suspend the Services immediately upon notice in the event of any Customer breach of Sections 4 (Rights to Use), 5 (Acceptable Use), or Section B.4 (Confidential Information).

**2.4** In the event that either party becomes insolvent, makes a general assignment for the benefit of creditors, is adjudicated a bankrupt or insolvent, commences a case under applicable bankruptcy laws, or files a petition seeking reorganization, the other party may request adequate assurances of future performance. Failure to provide adequate assurances, in the requesting party's reasonable discretion, within ten (10) days of delivery of the request shall entitle the requesting party to terminate the Agreement immediately upon written notice to the other party.

**2.5** If the Agreement is terminated for any reason:

(a) Customer shall pay Kronos within thirty (30) days of such termination, all fees accrued under this Agreement prior to the effective date of such termination, provided however, if Customer terminates for material breach of the Agreement by Kronos, Kronos shall refund Customer any pre-paid fees for services not delivered by Kronos;

(b) Customer's right to access and use the Applications shall be revoked and be of no further force or effect and return rented Equipment as provided in Section 9.1 below;

- (c) No more than fifteen (15) days after termination (or upon Customer's written request at any time during the Term), Kronos will provide to Customer, at no charge to Customer, the Customer Content. After such time period, Kronos shall have no further obligation to store or make available the Customer Content and will securely delete any or all Customer Content without liability;
- (d) Customer agrees to timely return all Kronos-provided materials related to the Services to Kronos at Customer's expense or, alternatively, destroy such materials and provide Kronos with an officer's certification of the destruction thereof; and
- (e) All provisions in the Agreement, which by their nature are intended to survive termination, shall so survive.

### **3. FEES AND PAYMENT**

**3.1** Customer shall pay Kronos the Setup Fees, the Monthly Service Fees and any additional one time, set-up or recurring fees, all as defined on the Order Form. Billing will commence on the Billing Start Date with the Monthly Service Fees to be billed on the frequency set forth on the Order Form ("Billing Frequency"). Unless otherwise indicated on the Order Form, Kronos will bill Customer for all implementation services in advance. Purchased Equipment will be billed upon shipment of such Equipment. Customer authorizes Kronos to charge the debit card or credit card on file with Kronos in an amount equal to the Monthly Service Fees as all such fees become due under this Agreement. For all other payments and fees due under this Agreement, payment shall be due 30 days following date of invoice unless otherwise indicated on an Order Form. Except as expressly set forth in the Agreement, all amounts paid to Kronos are non-refundable. Customer is responsible for all applicable taxes relating to the goods and services provided by Kronos hereunder (including without limitation GST and/or VAT if applicable), excluding taxes based on Kronos' income or business privilege.

**3.2** The Setup Fees shall be invoiced upon execution of the Agreement and shall be due net 30 days following date of invoice. Customer acknowledges that setup fees may be charged to Customer by third parties for Add-on Features. Third party setup and monthly fees shall be set forth on an Order Form. Monthly Service fees shall be based on monthly periods that begin on the Billing Start Date. Monthly Service Fees shall include fees for Equipment rental, if any. Monthly Service Fees for Services added on or before the 15<sup>th</sup> day of a given month will be charged for that full monthly period and each monthly period of the Term thereafter; Monthly Service Fees for Services added after the 15<sup>th</sup> day of a given month will begin to accrue as of the 1<sup>st</sup> day of the following month and will be charged for each monthly period of the Term thereafter. Monthly Service Fees shall be invoiced promptly following the end of the calendar month in which the Monthly Service Fees were accrued. Kronos will monitor Customer's "Usage" of the Services (as defined below) in order to calculate the Usage portion of the Monthly Service Fees to be charged. Usage of the Services, depending on applicable features, components, or services, shall be priced as identified on the Order Form either on a: (a) per month basis; (b) per active employee (herein "Active Employee") per month usage basis; (c) per transaction basis (e.g.: pay statement); or, (d) per access point. For purposes of the Agreement, an employee shall be deemed an Active Employee during any applicable billing period if through the Services: (i) time has been entered for such employee; (ii) records have been included for such employee for the purpose of processing payroll; (iii) records have been included for such employee within an import/export process; (iv) such employee has accessed the Services, regardless of the purpose; (v) benefit time has been accrued for such employee; or (vi) such employee has been marked by Customer as having an "Active" status during the period.

**3.3** Customer agrees that except in those circumstances in which Customer is entitled to invoke the termination for cause provision set forth in Section 2.3 above, in consideration of Kronos' delivery of the Services on a variable fee basis, Customer agrees to pay Kronos each month during the Term in which charges accrue no less than the minimum monthly fees ("Minimum Monthly Fees") which shall be calculated by Kronos based the amounts identified on all Order Forms for Customer's Usage of the Services, plus Equipment rental fees, if any. In the event that Customer does not reach the anticipated Usage upon which the Minimum Monthly Fees was based for any given month during the Term, Customer shall remain responsible for paying the Minimum Monthly Fees for that month. If an Order Form or the Agreement is suspended by Kronos for non-payment or otherwise terminated by Kronos for cause, Customer shall remain liable to pay the applicable Minimum Monthly Fees up to and including the last day of the month in which the effective date of termination occurs.

**3.4** If any amount owing under this or any other agreement between the parties is thirty (30) or more days overdue, Kronos may, without limiting Kronos' rights or remedies, suspend Services until such amounts are paid in full. Kronos will provide at least seven (7) days' prior written notice that Customer's account is overdue before suspending Services.

**3.5** At the latest of (i) one (1) year after the effective date of this Agreement, or (ii) expiration of the Initial Term, and at each annual anniversary of that date thereafter, Kronos may increase the Monthly Service Fee rates in an amount not to exceed four percent (4%). The increased Monthly Service Fees will be reflected in the monthly invoice following the effective date of such increase without additional notice.

### **4. RIGHTS TO USE**

**4.1** Subject to the terms and conditions of the Agreement, Kronos hereby grants Customer a limited, revocable, non-exclusive, non-transferable, non-assignable right to use during the Term and for internal business purposes only: a) the Applications and related services, including the Documentation and training materials; and, b) any embedded third party software, libraries, or other components, which form a part of the Services. The Services contain proprietary trade secret technology of Kronos and its Suppliers. Unauthorized use and/or copying of such technology are prohibited by law, including United States and foreign copyright law. Customer shall not reverse compile, disassemble or otherwise convert the Applications or other software comprising the Services into uncompiled or unassembled code. Customer acknowledges and agrees that the right to use the Services is limited based upon authorized Usage and the amount of the Monthly Service Fees to be paid by Customer. Customer agrees to use only the modules and/or features described on the Order Form. Customer agrees not to use any other modules or features unless Customer has licensed such additional modules or features. Customer may not relicense or sublicense the Services, or otherwise permit use of the Services (including timesharing or networking use) by any third party. Customer may not provide service bureau or other data processing services that make use of the Services without the express prior written consent of Kronos. No license, right, or interest in any Kronos trademark, trade name, or service mark, or those of Kronos' licensors or Suppliers, is granted hereunder. When using and applying the information generated by the Services, Customer is responsible for ensuring that Customer complies with applicable laws and regulations.

**4.2** Customer may authorize its third party contractors and consultants to access the Services through Customer's administrative access privileges on an as needed basis, provided Customer: a) abides by its obligations to protect Confidential Information as set forth in this Agreement; b) remains responsible for all such third party usage and compliance with the Agreement; and c) does not provide such access to a competitor of Kronos who provides workforce management services.

**4.3** Customer acknowledges and agrees that, as between Customer and Kronos, Kronos retains ownership of all right, title and interest to the Services, all of which are protected by copyright and other intellectual property rights, and that, other than the express rights granted herein and under any other agreement in writing with Customer, Customer shall not obtain or claim any rights in or ownership interest to the Services or any

associated intellectual property rights in any of the foregoing. Customer agrees to comply with all copyright and other intellectual property rights notices contained on or in any information obtained or accessed by Customer through the Services.

**4.4** Kronos will make updates and upgrades to the Services (tools, utilities, improvements, third party applications, general enhancements) available to Customer at no charge as they are released generally to its customers as part of the Services. Customer agrees to receive those updates automatically as part of the Services. Kronos also may offer new products and/or services to Customer at an additional charge. Customer shall have the option of purchasing such new products and/or services under a separate Order Form.

**4.5** Kronos reserves the right to change the Services, in whole or in part, including but not limited to, the Internet based services, technical support options, and other Services-related policies. Customer's continued use of the Services after Kronos posts or otherwise notifies Customer of any changes indicates Customer's agreement to those changes.

## **5. ACCEPTABLE USE**

**5.1** Customer shall take all reasonable steps to ensure that no unauthorized persons have access to the Services, and to ensure that no persons authorized to have such access shall take any action that would be in violation of this Agreement.

**5.2** Customer represents and warrants to Kronos that Customer has the right to publish and disclose the Customer Content in connection with the Services. Customer represents and warrants to Kronos that the Customer Content: (a) does not infringe or violate any third-party right, including but not limited to intellectual property, privacy, or publicity rights, (b) is not abusive, profane, or offensive to a reasonable person, or, (c) is not hateful or threatening.

**5.3** Customer will not (a) use, or allow the use of, the Services in contravention of any federal, state, local, foreign or other applicable law, or rules or regulations of regulatory or administrative organizations; (b) introduce into the Services any virus or other code or routine intended to disrupt or damage the Services, or alter, damage, delete, retrieve or record information about the Services or its users; (c) excessively overload the Kronos systems used to provide the Services; (d) perform any security integrity review, penetration test, load test, denial of service simulation or vulnerability scan; (e) use any tool designed to automatically emulate the actions of a human user (e.g., robots); or, (f) otherwise act in a fraudulent, malicious or negligent manner when using the Services.

## **6. CONNECTIVITY AND ACCESS**

Customer acknowledges that Customer shall (a) be responsible for securing, paying for, and maintaining connectivity to the Services (including any and all related hardware, software, third party services and related equipment and components); and (b) provide Kronos and Kronos' representatives with such physical or remote access to Customer's computer and network environment as Kronos deems reasonably necessary in order for Kronos to perform its obligations under the Agreement. Customer will make all necessary arrangements as may be required to provide access to Customer's computer and network environment if necessary for Kronos to perform its obligations under the Agreement. Kronos is hereby (i) granted access to such Customer data to perform its obligations under the Agreement and (ii) authorized to audit the number of Active Employee counts or other transactions that have occurred to measure Usage.

## **7. IMPLEMENTATION AND SUPPORT**

**7.1 Implementation.** Kronos will configure the Services utilizing scheduled remote resources. Software module configuration will be based on information and work flows obtained from Customer during the discovery portion of the implementation. Customer shall provide Kronos with necessary configuration-related information in a timely manner to ensure that mutually agreed implementation schedules are met. Kronos and Customer's implementation responsibilities are described more specifically in the Services Implementation Guideline set forth at: <http://www.kronos.com/products/workforce-ready/implementation-guidelines.aspx>

**7.2 Standard Support.** Kronos will provide telephone support 8:00 a.m. to 5:00 p.m., local time, Monday – Friday. Customers also shall be provided the capability to log questions online via the Kronos Customer Portal.

**7.3 Equipment Support.** If Equipment is rented in accordance with Section 9.1 below or if Equipment Support Services are purchased for Equipment purchased in accordance with Section 9.2 below, Kronos will provide the following Depot Exchange Support Services to Customer:

(a) Upon the failure of installed Equipment, Customer shall notify Kronos of such failure and Kronos will provide remote fault isolation at the FRU (Field Replacement Unit) or subassembly level and attempt to resolve the problem. Those failures determined by Kronos to be Equipment related shall be dispatched to a Kronos Depot Repair Center, and Customer will be provided with a Return Material Authorization Number (RMA) for the failed Equipment if Customer is to return the failed Equipment to Kronos, as reasonably determined by Kronos. Customer must return the failed Equipment with the supplied RMA number. Hours of operation, locations and other information related to Kronos' Depot Repair Centers are available upon request and are subject to change. Return and repair procedures for failed Equipment shall be provided based on the Depot option - Depot Exchange or Depot Repair - selected by Customer on the applicable Order Form and as specified herein and in Kronos' then-current Support Services Policies.

(b) Kronos will provide a replacement for the failed Equipment at the FRU or subassembly level on an "advanced exchange" basis, utilizing a carrier of Kronos' choice. Replacement Equipment will be shipped the same day, for delivery to Customer's location as further described in the Support Policies. REPLACEMENT EQUIPMENT MAY BE NEW OR RECONDITIONED. Customer shall specify the address to which the Equipment is to be shipped. All shipments will include the Kronos provided RMA designating the applicable Kronos Depot Repair Center, as the recipient. Customer, upon receipt of the replacement Equipment from Kronos, shall package the defective Equipment in the materials provided by Kronos, with the RMA supplied and promptly return failed Equipment directly to Kronos.

(c) Equipment support also includes Customer access to Equipment service packs via the Kronos Customer Portal.

**7.4 Educational Materials and Content.** Customer will have access to certain educational materials and content (the "Educational Content") within the Services. Customer recognizes and agrees that the Educational Content is copyrighted by Kronos. Customer is permitted to make copies of the Educational Content provided in \*pdf form solely for Customer's internal training purposes and may not disclose such Educational Content to any third party other than Customer's employees. Customer may not edit, modify, revise, amend, change, alter, customize or vary the Educational Content without the written consent of Kronos, provided that Customer may download and modify contents of Training Kits solely for Customer's internal use

## 8. Customer content

Customer shall own all Customer Content. Kronos acknowledges that all of the Customer Content is deemed to be the Confidential Information of Customer. Notwithstanding the foregoing, Customer grants Kronos permission to combine Customer's business data with that of other customers in a manner that does not identify the Customer or any individual in order to evaluate and improve the services Kronos offers to customers. In addition, Kronos may, but shall have no obligation to, monitor Customer Content from time to time to ensure compliance with the Agreement and applicable law.

## 9. EQUIPMENT

If Customer purchases or rents Equipment from Kronos, a description of such Equipment (model and quantity), the applicable pricing, and delivery terms shall be listed on the Order Form.

### 9.1 *Rented Equipment.* The following terms apply only to Equipment Customer rents from Kronos:

- a) **Rental Term and Warranty Period.** The term of the Equipment rental and the "Warranty Period" for such Equipment shall run coterminously with the Term of the other Services provided under the Agreement.
- b) **Insurance.** Customer shall insure the Equipment for an amount equal to the replacement value of the Equipment for loss or damage by fire, theft, and all normal extended coverage at all times. No loss, theft or damage after shipment of the Equipment to Customer shall relieve Customer from Customer's obligations under the Agreement.
- c) **Location/Replacement.** Customer shall not make any alterations or remove the Equipment from the place of original installation without Kronos' prior written consent. Kronos shall have the right to enter Customer's premises to inspect the Equipment during normal business hours. Kronos reserves the right, at its sole discretion and at no additional cost to Customer, to replace any Equipment with newer or alternative technology Equipment as long as the replacement Equipment at least provides the same level of functionality as that being replaced.
- d) **Ownership.** All Equipment shall remain the property of Kronos. All Equipment is, and at all times shall remain, separate items of personal property, notwithstanding such Equipment's attachment to other equipment or real property. Customer shall not sell or otherwise encumber the Equipment. Customer shall furnish any assurances, written or otherwise, reasonably requested by Kronos to give full effect to the intent of terms of this paragraph (d).
- e) **Equipment Support.** Kronos shall provide to Customer the Equipment support services described in Section 7.
- f) **Return of Equipment.** Upon termination of the Agreement or the applicable Order Form, Customer shall return, within thirty (30) days of the effective date of termination and at Customer's expense, the Equipment subject to this Section 9.1. Equipment will be returned to Kronos in the same condition as and when received, reasonable wear and tear excepted. If Customer fails to return Equipment within this time period, upon receiving an invoice from Kronos, Customer shall pay Kronos the then list price of the unreturned Equipment.

### 9.2 *Purchased Equipment.* The following terms apply only to Equipment Customer purchases from Kronos:

- a) **Ownership and Warranty Period.** Title to the Equipment shall pass to Customer upon delivery to the carrier. The "Warranty Period" for the Equipment shall be for a period of ninety (90) days from such delivery (unless otherwise required by law).
- b) **Equipment Support.** Kronos shall provide to Customer the Equipment support services described in this Agreement if purchased separately by Customer as indicated on the applicable Order Form. If purchased, Equipment support services have a term of one (1) year commencing upon expiration of the Warranty Period. Equipment support services will be automatically extended for additional one year terms on the anniversary of its commencement date ("Renewal Date"), unless either party has given the other thirty (30) days written notification of its intent not to renew. Kronos may change the annual support charges for Equipment support services effective at the end of the initial one (1) year term or effective on the Renewal Date, by giving Customer at least thirty (30) days prior written notification.

## 10. SERVICE LEVEL AGREEMENT

Kronos shall: (a) provide basic support for the Services at no additional charge, (b) use commercially reasonable efforts to make the Services available 24 hours a day, 7 days a week, except for: (i) planned downtime (when it shall give at least 8 hours notice via the Services and shall schedule to the extent practicable during the weekend hours from 6:00 p.m. Friday to 3:00 a.m. Monday, Eastern Time), or (ii) any unavailability caused by circumstances beyond Kronos' reasonable control, including without limitation, acts of nature, acts of government, floods, fires, earthquakes, civil unrest, acts of terror, strikes or other labor problems (other than those involving Kronos employees), internet service provider failures or delays, or denial of service attacks, and (iii) provide Services in accordance with applicable laws and government regulations.

## 11. LIMITED WARRANTY; DISCLAIMERS OF WARRANTY

**11.1** Kronos represents and warrants to Customer that the Services, under normal operation as specified in the Documentation and when used as authorized herein, will perform substantially in accordance with such Documentation during the Term.

**11.2** Kronos' sole obligation and Customer's sole and exclusive remedy for any breach of the foregoing warranty is limited to Kronos' reasonable commercial efforts to correct the non-conforming Services at no additional charge to Customer. In the event that Kronos is unable to correct material deficiencies in the Services arising during the Warranty Period, after using Kronos' commercially reasonable efforts to do so, Customer shall be entitled to terminate the then remaining Term of the Agreement as Customer's sole and exclusive remedy. Kronos' obligations hereunder for breach of warranty are conditioned upon Customer notifying Kronos of the material breach in writing, and providing Kronos with sufficient evidence of such non-conformity to enable Kronos to reproduce or verify the same.

**11.3** Kronos warrants to Customer that each item of Equipment shall be free from defects in materials and workmanship during the Warranty Period. In the event of a breach of this warranty, Customer's sole and exclusive remedy shall be Kronos' repair or replacement of the deficient Equipment, at Kronos' option, provided that Customer's use, installation and maintenance thereof have conformed to the Documentation for such Equipment. This warranty is extended to Customer only and shall not apply to any Equipment (or parts thereof) in the event of:

- a) damage, defects or malfunctions resulting from misuse, accident, neglect, tampering, (including without limitation modification or replacement of any Kronos components on any boards supplied with the Equipment), unusual physical or electrical stress or causes other than normal and intended use;
- b) failure of Customer to provide and maintain a suitable installation environment, as specified in the published specifications for such Equipment; or
- c) malfunctions resulting from the use of badges or supplies not approved by Kronos.

Except as provided for in this Section 11, Kronos hereby disclaims all warranties, conditions, guaranties and representations relating to the Services, express or implied, oral or in writing, including without limitation the implied warranties of merchantability, fitness for a particular purpose, title and non-infringement, and whether or not arising through a course of dealing. The Services are not guaranteed to be error-free or uninterrupted. Except as specifically provided in this Agreement, Kronos makes no warranties or representations concerning the compatibility of the Services, the SaaS Applications or the equipment nor any results to be achieved therefrom.

## **12.0 DATA SECURITY**

**12.1** As part of the Services, Kronos shall provide administrative, physical, and technical safeguards for the protection of the security, confidentiality and integrity of Customer data. Customer acknowledges that such safeguards endeavor to mitigate security incidents, but such incidents may not be mitigated entirely or rendered harmless. Customer should consider any particular Kronos supplied security-related safeguard as just one tool to be used as part of Customer's overall security strategy and not a guarantee of security. Both parties agree to comply with all applicable privacy or data protection statutes, rules, or regulations governing the respective activities of the parties under the Agreement.

**12.2** As between Customer and Kronos, all Personally Identifiable Data is Customer's Confidential Information and will remain the property of Customer. Customer represents that to the best of Customer's knowledge such Personally Identifiable Data supplied to Kronos is accurate. Customer hereby consents to the use, processing or disclosure of Personally Identifiable Data by Kronos and Kronos' Suppliers wherever located only for the purposes described herein and only to the extent such use or processing is necessary for Kronos to carry out Kronos' duties and responsibilities under the Agreement or as required by law.

**12.3** Prior to initiation of the Services under the Agreement and on an ongoing basis thereafter, Customer agrees to provide notice to Kronos of any extraordinary privacy or data protection statutes, rules, or regulations which are or become applicable to Customer's industry and which could be imposed on Kronos as a result of provision of the Services. Customer will ensure that: (a) the transfer to Kronos and storage of any Personally Identifiable Data by Kronos or Kronos' Supplier's data center is permitted under applicable data protection laws and regulations; and, (b) Customer will obtain consents from individuals for such transfer and storage to the extent required under applicable laws and regulations.

## **13. INDEMNIFICATION**

**13.1** Kronos shall defend Customer and its respective directors, officers, and employees (collectively, the "Customer Indemnified Parties"), from and against any and all notices, charges, claims, proceedings, actions, causes of action and suits, brought by a third party (each a "Claim") alleging that the permitted uses of the Services infringe or misappropriate any United States or Canadian copyright or patent and will indemnify and hold harmless the Customer Indemnified Parties against any liabilities, obligations, costs or expenses (including without limitation reasonable attorneys' fees) actually awarded to a third party as a result of such Claim by a court of applicable jurisdiction or as a result of Kronos' settlement of such a Claim. In the event that a final injunction is obtained against Customer's use of the Services by reason of infringement or misappropriation of such copyright or patent, or if in Kronos' opinion, the Services are likely to become the subject of a successful claim of such infringement or misappropriation, Kronos, at Kronos' option and expense, will use commercially reasonable efforts to (a) procure for Customer the right to continue using the Services as provided in the Agreement, (b) replace or modify the Services so that the Services become non-infringing but remain substantively similar to the affected Services, and if neither (a) or (b) is commercially feasible, to (c) terminate the Agreement and the rights granted hereunder after provision of a refund to Customer of the Monthly Service Fees paid by Customer for the infringing elements of the Services covering the period of their unavailability.

**13.2** Kronos shall have no liability to indemnify or defend Customer to the extent the alleged infringement is based on: (a) a modification of the Services by anyone other than Kronos; (b) use of the Services other than in accordance with the Documentation for such Service or as authorized by the Agreement; (c) use of the Services in conjunction with any data, equipment, service or software not provided by Kronos, where the Services would not otherwise itself be infringing or the subject of the claim; or (d) use of the Services by Customer other than in accordance with the terms of the Agreement. Notwithstanding the foregoing, with regard to infringement claims based upon software created or provided by a licensor to Kronos or Suppliers, Kronos' maximum liability will be to assign to Customer Kronos' or Supplier's recovery rights with respect to such infringement claims, provided that Kronos or Kronos' Supplier shall use commercially reasonable efforts at Customer's cost to assist Customer in seeking such recovery from such licensor.

**13.3** Customer shall be responsible and liable for all damages and cost of Kronos, its Suppliers and their respective directors, officers, employees, agents and independent contractors (collectively, the "**Kronos Indemnified Parties**") from and against any and all Claims alleging that: (a) employment-related claims arising out of Customer's configuration of the Services; (b) Customer's modification or combination of the Services with other services, software or equipment not furnished by Kronos, provided that such Customer modification or combination is the cause of such infringement and was not authorized by Kronos; or, (c) a claim that the Customer Content infringes in any manner any intellectual property right of any third party, or any of the Customer Content contains any material or information that is obscene, defamatory, libelous, or slanderous violates any person's right of publicity, privacy or personality, or has otherwise caused or resulted in any tort, injury, damage or harm to any other person. Customer will have sole control of the defense of any such action and all negotiations for its settlement or compromise.

**13.4** The Indemnified Party(ies) shall provide written notice to the indemnifying party promptly after receiving notice of such Claim. If the defense of such Claim is materially prejudiced by a delay in providing such notice, the purported indemnifying party shall be relieved from providing such indemnity to the extent of the delay's impact on the defense. The indemnifying party shall have sole control of the defense of any indemnified Claim and all negotiations for its settlement or compromise, provided that such indemnifying party shall not enter into any settlement which imposes any obligations or restrictions on the applicable Indemnified Parties without the prior written consent of the other party. The Indemnified Parties shall cooperate fully, at the indemnifying party's request and expense, with the indemnifying party in the defense, settlement or compromise of any such action. The indemnified party may retain its own counsel at its own expense, subject to the indemnifying party's rights above.

## **14. LIMITATION OF LIABILITY**

**14.1** Except as specifically provided in this Agreement, Kronos and its Suppliers will not be liable for any damages or injuries caused by the use of the Services or by any errors, delays, interruptions in transmission, or failures of the Services.

**14.2** except for Kronos' indemnification obligations set forth in Section 13 above, the total aggregate liability of Kronos or Kronos' Suppliers to Customer and/or any third party in connection with the Agreement shall be limited to direct damages proven by Customer, such direct damages not to exceed an amount equal to the total net payments received by Kronos for the services in the Twelve (12) month period immediately preceding the date in which such claim arises.

**14.3** Except for Kronos' indemnification obligations set forth in Section 13 above, in no event shall Kronos or Kronos' Suppliers, their respective affiliates, service providers, or agents be liable to Customer or any third party for any incidental, special, punitive, consequential or other indirect damages or for any lost or imputed profits or revenues, lost data or cost of procurement of substitute services resulting from delays, nondeliveries,

misdelliveries or services interruption, however caused, arising from or related to the Services or the Agreement, regardless of the legal theory under which such liability is asserted, whether breach of warranty, indemnification, negligence, strict liability or otherwise, and whether liability is asserted in contract, tort or otherwise, and regardless of whether Kronos or Supplier has been advised of the possibility of any such liability, loss or damage. **14.4 EXCEPT WITH RESPECT TO LIABILITY ARISING FROM KRONOS' GROSS NEGLIGENCE OR WILLFUL MISCONDUCT, KRONOS DISCLAIMS ANY AND ALL LIABILITY, INCLUDING WITHOUT LIMITATION LIABILITY RELATED TO A BREACH OF DATA SECURITY AND CONFIDENTIALITY OBLIGATIONS, RESULTING FROM ANY EXTERNALLY INTRODUCED HARMFUL PROGRAM (INCLUDING WITHOUT LIMITATION VIRUSES, TROJAN HORSES, AND WORMS), CUSTOMER'S CONTENT OR APPLICATIONS, THIRD PARTY UNAUTHORIZED ACCESS OF EQUIPMENT, SAAS APPLICATIONS OR SYSTEMS, OR MACHINE ERROR.**

## SECTION C

### PAYROLL PROCESSING TERMS AND CONDITIONS

This Payroll Processing terms and condition Section C, and all included exhibits, schedules, attachments or other addenda (the “Section C”) is made part of the Kronos Workforce Ready Software-as-a-Service WFR Terms outlined in Section A and B (the “WFR Terms”) and governs the provision of the Workforce Payroll Services (the “Payroll Services”) Kronos to Customer.

In rendering the Payroll Services, Kronos will use the Workforce Ready software-as-a-service platform (the “WFR Platform”). Attachment 1 sets forth the applicable entities, including Customer itself (collectively the “Covered Entities”), along with each of their EINs and other information, if these Covered Entities are receiving Payroll Services from Kronos. Customer is responsible for ensuring that all Covered Entities are bound by and comply with this Section C. Covered Entities may be added or removed from Attachment 1, by Customer completing and signing the appropriate change form provided by Kronos. Capitalized terms not defined within this Section C are defined in the WFR Terms.

### GENERAL TERMS AND CONDITIONS

#### Article 1. Payroll Services

1.1 Subject to all of the terms and conditions of the WFR Terms and this Section C, Kronos shall provide Customer with the Payroll Services during the Term to the extent set forth on an Order Form. The Payroll Services are provided only in the United States (which includes Puerto Rico, U.S. Virgin Islands, Guam and Marianna) and shall only be provided with respect to Customer’s payroll obligations for United States-based employees of Customer and those Covered Entities included in Attachment 1. The following provisions shall apply to the extent the Payroll Service listed below is selected by Customer as indicated in writing on the Order Form or as part of the Kronos Payroll Services (KPS) Services Election Form to be completed by the parties during implementation:

##### 1.1.1 Payroll, Tax and Treasury Payroll Services.

- a. Customer agrees that the Payroll Services shall be provided in accordance with the pricing set forth on the Order Form and the responsibilities of Customer and Kronos SaaS set forth throughout this Agreement. Kronos SaaS’s standard descriptions for certain miscellaneous services, such as W2/1099 filing fees, fees for tax accounts with an “applied for” status, ACH returns, off-cycle payrolls, split wrap (delivery of checks to multiple locations, and preparing/filing of amended returns, is described in the Payroll Services Additional Items attached as Attachment 2 (“Payroll Services Additional Items”) and the responsibilities of Customer and Kronos set forth throughout this Section C.
- b. Customer will submit the payroll information to Kronos in the format and including the information specified by Kronos from time to time not less than two (2) Business Days prior to Customer’s scheduled check date. “Business Day” means any day of the year other than (a) a Saturday, Sunday or (b) on day on which banking institutions in any jurisdiction of the banking institution of any applicable Client Entity are closed or (c) a statutory or civic holiday in the United States. Without limitation, Kronos is not responsible for Customer errors, wage and hour violations, wage assignment errors, employment discrimination, or other employment policies that may violate any applicable laws, codes, legislative acts, regulations, ordinances, rules, rules of court, orders or similar, as well as any National Automated Clearing House Association (“NACHA”) operating rules (“Applicable Law(s)”. The deadline for Customer’s submission of payroll is determined by the time zone in which the processing occurs, as follows.

On the date Customer's payroll is scheduled to be submitted, if Customer payroll processing emanates from the Eastern or Central Time Zone, then the deadline for submission is 12:00 p.m. Eastern Time; if Client payroll processing emanates from the Mountain or Pacific Time Zone, then the deadline for submission is 1:30 p.m. Eastern Time on the scheduled processing date. If Customer's payroll is submitted timely, Kronos will initiate a Draw Down Wire not later than 2:30 p.m. Eastern Time, to be settled not later than 4:30 p.m. Eastern Time on the date the payroll is finalized. Late submission by Customer may result in delayed processing of banking and other transaction or additional fees may be imposed, including, without limitation, by the applicable financial institutions and/or as set forth in the Payroll Services Pricing Exhibit. Customer shall be responsible and liable for any claims, losses or any other liabilities arising from or relating to Customer's late submission of transactions. If Customer has elected for Kronos to provide direct deposit/ACH Payroll Services (if available), Kronos will provide on behalf of Customer electronic money movement and related banking services via its ACH credit facilities at one or more financial institutions in support of the direct deposit of funds into Customer's employee and third-party vendor accounts. Customer agrees to be bound by the then-current NACHA operating rules. "ACH" means the network used for electronic payments and money transfers, Automated Clearing House.

- c. Customer authorizes Kronos to prepare and file payroll tax returns and cause the issuance of payments on related tax obligations for Covered Entities and tax jurisdictions. Customer authorizes Kronos via draw down wire transfer to: (a) debit Customer's or as applicable a Client Entity's demand deposit account or accounts at an applicable financial institution to be used in connection with the Payroll Services (the "Customer Account") for all payroll tax obligations and credit a like amount to an account designated by Kronos, which may be held in trust by a third party trustee (the "Payroll Services Accounts") not less than two (2) Business Days prior to Customer's scheduled check date of the applicable payroll under this Section C, which funds shall be held in such Payroll Services Accounts until such time as such funds are due to the appropriate taxing authorities; (b) remit such funds by electronic funds transfer ("EFT") or via check to the appropriate taxing authority; and (c) prepare, sign, and file with the appropriate taxing authorities all returns for such taxes on an ongoing basis.
- d. Kronos shall not be responsible for the payment of any Customer taxes or the filing of any Customer tax returns prior to the check date of the payroll under this Section C, nor is Kronos responsible in relation to any taxes which Kronos did not collect from Customer (including without limitation, failure to collect due to non-sufficient funds or other funding issues ("NSF")). Customer should confirm the appropriate federal tax deposits are being paid on behalf of the applicable Client Entity by enrolling in the Electronic Federal Tax Payment System (please visit: <https://www.eftps.gov/eftps>).
- e. Customer shall maintain and provide Kronos accurate tax identification numbers, filing frequencies, filing jurisdictions, tax rates, tax types, and employee tax forms to enable Kronos to properly complete all applicable tax returns and payments. If, as an accommodation to Customer and without implying any obligation, Kronos files a tax return containing "Applied For" status, then Customer agrees and acknowledges that it releases Kronos from any and all liability that may arise in connection with such accommodation (including without limitation, penalties and interest).

#### 1.1.2 Additional Payroll Services.

- a. Check Printing and Fulfillment Services. - means the printing of employee payroll checks, direct deposit advices and third party checks drawn on Customer's bank account, to distribute same

to locations/destinations via FedEx or UPS either Next Day Air or Ground, all as directed by Customer. For delivery purposes, Customer shall obtain and provide either a FedEx or UPS account number for use by Kronos for shipping of documents and/or checks.

- b. ACH Child Support Processing - means the impoundment and remittance of funds for third party payments via ACH for child support payments to the applicable state child support agencies.
- c. W2 Filing - means the electronic filing of employee W2 forms with all applicable Federal and State tax jurisdictions. Specific timelines are established for Customer to promptly complete its year end requirements in order for Kronos to fulfill its obligations in a timely manner. This service includes filing of employee W2 information with the SSA, as well as all 50 State and local tax agencies, excluding Puerto Rico, U.S. Virgin Islands, Guam and Marianna.
- d. 1099 Filing- means the electronic filing of contractor forms with the IRS only. Specific timelines are established for Customer to complete its year end requirements in order for APS to timely fulfill its obligations.

1.1.3 Workforce Ready Platform. Customer acknowledges and agrees that the Payroll Services may only be used in conjunction with the WFR Platform or any other product expressly authorized by Kronos, and hereby authorizes and directs Kronos to interface the WFR Platform with such product for the purpose of providing the Payroll Services. Furthermore, Customer hereby grants Kronos consent to administrative access rights to the WFR Platform for the purpose of fulfilling Kronos' obligations under this Section C.

## **Article 2. Fees; Billing**

Payroll Services shall be considered part of the Services for purposes of Fees and Billing under the WFR Terms. Kronos will invoice the Fees for a particular item or Payroll Service on the Billing Frequency and in accordance with the payment terms and processes indicated on the applicable Order Form and in the WFR Terms and this Section C. Customer agrees payment for the Fees will be made by direct debit facility to be established by Kronos, and that Customer will complete all necessary and reasonable forms and documents to establish such direct debit payments. Should Customer cancel direct debit payments during the Term, Kronos reserves the right to suspend the Payroll Services without notice and to terminate the WFR Terms if not reinstated within ten (10) business days of Kronos' written notice to Customer. The Fees set forth in Attachment 2 are subject to change after the Initial Term (as defined in the WFR Terms) upon thirty (30) days written notice from Kronos to Customer.

## **Article 3. Customer Content**

3.1.1 Kronos will not be responsible for storing copies of Customer Content when Kronos no longer requires such information to provide Payroll Services to Customer, and Customer shall be responsible for retaining its own tax and payroll records according to the schedules established by governmental authorities for Customer. Customer will reimburse Kronos for the costs of producing any information in Kronos' possession or control relating to Customer's business or employees that Kronos produces in response to a Customer request or court order. Unless otherwise required by Applicable Law, upon termination of this Section C, Kronos may dispose of Customer Content in accordance with Kronos' data retention policy in effect from time to time. In the case of termination of one but not all Payroll Services, Kronos may dispose of Customer Content not related to the remaining Payroll Services, unless otherwise required by Applicable Law, in accordance with Kronos' data retention policy in effect from time to time.

3.1.2 Notwithstanding anything to the contrary in this Section C, each party's use and disclosure of tax

return information pursuant to or in connection with this Section C shall be conducted in compliance with and subject to the limitations of Section 7216 of the Internal Revenue Code of 1986, as amended.

#### **Article 4. Customer Covenants**

4.1 Customer shall, and shall cause any Covered Entities to, accurately and timely complete all forms and documents requested by Kronos from time to time in order for Kronos to provide the applicable Payroll Services, including, without limitation, all necessary credential and related action required by Kronos to integrate Payroll Services with the WFR Platform as described in Section 1.1.3. Payroll Services will not commence until Customer (or the applicable Client Entity) provides to Kronos all of the forms and documents requested by Kronos, and any agreed timelines shall be automatically adjusted accordingly with no liability to Kronos attributable to any failure or delay by Customer with respect to the foregoing. In addition to forms and documents requested at the commencement of Payroll Services, Customer shall, and shall cause any Client Entity to, timely provide to Kronos other forms and documents requested by Kronos necessary to deliver the Payroll Services during the Term.

4.2 To the extent required in connection with any Payroll Services, Customer hereby appoints Kronos as its attorney-in-fact with authority to receive, sign and file state and local tax returns and to cause the issuance of payments in connection therewith. Kronos shall also be authorized as Customer's designee to receive correspondence and transcripts with respect to federal, state or local tax returns designated by Customer. Customer shall cooperate in executing and filing any and all forms or other documents required by a taxing authority to appoint Kronos as its reporting agent, or otherwise to make effective the appointments and designations described in the preceding two sentences, including but not limited to IRS Form 8655. Such appointment and authorization shall commence as of the Effective Date and remain in effect through subsequent tax periods until the earlier of the termination date of this Section C and the date Kronos is notified by Customer of revocation of the authorization, and Customer shall cooperate in executing and filing any and all forms and documents required by any taxing authority to do so. Customer hereby revokes all earlier powers of attorney and tax authorizations on file with the respective taxing authorities with respect to the same tax matters and tax period covered by this Section C and shall execute and file all documents necessary to effectuate such revocation. Kronos reserves the right to remove itself as attorney-in-fact or reporting agent in its sole discretion, upon at least ten (10) Business Days' written notice to Customer. An authorization does not relieve the Customer of responsibility (or from liability for failing) to ensure that all tax returns are filed timely and that all FTDs and FTPs are made timely.

4.3 Customer shall at all times maintain balances sufficient to fund its payroll and related obligations two (2) Business Days prior to the applicable check date. Customer acknowledges that if Customer fails to properly fund the Customer Account or otherwise prevents the timely receipt of funds, then Customer's payroll and related services will be delayed and/or suspended at Kronos' sole discretion and Kronos may immediately terminate this Section C upon notice to Customer.

#### **4.4 Banking and Funding Covenants**

4.4.1 Funding Payroll Obligations via Draw Down Wire Except as noted below, all monies caused to be transferred by Kronos on behalf of Customer will be funded via a draw down wire ("Draw Down Wire") initiated by Kronos to Customer's account in accordance with this Section 4.4.1. Customer agrees to execute with its financial institution any WFR Terms necessary to allow Kronos to cause the initiation of Draw Down Wires to Customer's bank account in accordance with the operating rules governing such transactions. Customer acknowledges that if Customer fails to properly fund its account or otherwise prevents the successful completion of a Draw Down Wire, then Customer's payroll and related services

will be delayed or suspended. Customer shall be solely responsible and liable for properly funding its account and ensuring Kronos can effect a Draw Down Wire. For quarter end and year end reconciliation purposes only, Kronos will utilize standard ACH services to reconcile Customer tax remittances and liability variances. Kronos shall use commercially reasonable efforts to notify Customer not less than five (5) Business Days prior to Kronos causing a debit of the Customer's bank account for the amount required to satisfy such variances.

4.4.2 Funding Payroll Obligations via Direct Wire In the sole discretion and upon the written authorization of Kronos, a direct wire (Customer initiates Customer's own wire transfer to a Payroll Services Account) may be utilized as an exception. Exceptions may arise for various reasons, including (a) due to funds not being available in the Customer Account at the time that Draw Down Wires are initiated, or (b) proper authorization was not granted to Kronos to cause the collection of funds via the Draw Down Wire. Any exception processing, by its very nature, runs the risk of delayed funding to third parties such as employees, tax agencies, and child support or garnishment recipients. Penalties, interest and other charges related to Customer's failure in meeting timelines, sufficient debit limit authorization or funding adequacy will be the liability of the Customer, and except to the extent arising from Kronos' gross negligence or willful misconduct, Customer is responsible for any claim made in relation with exception processing.

4.4.3 Payment Scheduling Collection for payroll direct deposits, vendor or garnishment payments, and payroll tax liabilities will be made as needed, based on the Payroll Services elected, and will depend on the payroll schedules that Customer utilizes to pay its employees and/or contractors. The draft for the collection will be via the Draw Down Wire request mechanism. Payments made to employees on Customer's behalf are dependent on the check date associated with those payments. Payments made to agencies and garnishment recipients are based on payroll check date(s). These payments are disbursed to the receiving parties utilizing the ACH network (where possible) in compliance with the NACHA guidelines and regulations or by check drawn on Customer's account. All payments made on Customer's behalf via ACH money movement will be caused to be released by Kronos only after Kronos receives confirmation of collection of amounts drafted from Customer's account. Therefore, even if amounts are due, Kronos will not cause the release of the ACH payments unless confirmation of receipt of funds has been received by Kronos.

4.4.4 Collection Account Testing. Customer hereby authorized Kronos to perform collection account testing as described in this Section 4.4.4. The Customer's collection account(s) used for funding and the drafting process is required to be thoroughly tested to avoid funding failures. Any such failure may result in agency penalties, delayed employee direct deposit payments, etc. This funding account test will ensure the originating bank identifiers for the applicable Payroll Services Accounts have successfully been added to Customer's debit filters. To test the collection account(s), Kronos will cause the initiation of a test Draw Down Wire transactions in the amount of \$1.00 each. The transactions will be initiated from every unique Payroll Services Account provided to Customer during implementation. Testing of the funding account(s) shall occur two (2) to four (4) weeks prior to the first payroll check date to insure a successful processing of the first payroll. Customer must notify Kronos in writing not less than two (2) weeks prior to the effective date of a change in Customer bank account(s), which shall be tested as described in this Section 4.4.4.

4.4.5 Customer agrees to: (a) complete and execute any necessary forms with Customer's Receiving Depository Financial Institution ("RDFI") providing authorization that will require Customer's RDFI to honor all Draw Down Wire drawdown requests and standard ACH transfers received from Kronos and/or

its agent, (b) promptly notify Kronos of any discrepancies between drawdown amounts and the amounts expected by Customer; and (3) notify Kronos immediately if any circumstances arise that could impact the collection of sufficient funds from Customer's account.

4.5 The ACH Reversal function allows Customer to submit a request to cancel a previously submitted ACH transaction. This function is utilized primarily to reverse direct deposits from employee accounts where the original direct deposits were in error. Kronos' and/or the applicable financial institution's then-standard fees for ACH reversals will apply. Customer may initiate an ACH reversal request by submitting a voiding transaction in the WFR Platform. Once the ACH reversal request is submitted to the financial institution, a credit is generated to the Customer Account and a request to debit the funds is sent to the employee's bank account. If the debit request for the ACH reversal to the employee's account is denied (for example, due to NSF), Kronos will debit the total amount of the NSF and any banking fees/charges associated with the NSF from Customer's authorized funding account. Kronos will not reattempt collection of any NSF's from employee accounts. Customer shall be solely responsible for obtaining reimbursement from its employees for the NSF amounts and any related fees/charges, whether the employees are active or terminated.

4.6 If Customer defaults under this Section C, including, without limitation, by Customer's failure to have in the Customer Account sufficient, readily available funds to cover the payroll, payroll tax, and other disbursements, or if a financial institution rescinds a Customer credit to one or more Payroll Services Accounts, then Kronos may, in its sole discretion: (a) terminate this Section C with written notice, and/or (b) exercise any and all reasonable actions necessary and appropriate to limit the loss to, or liability of, Kronos or its Affiliates. "Affiliate" means any entity that, directly or indirectly, controls, is controlled by or is under common control with such entity (but only for so long as such control exists), where "Control" (in this context) means the possession, directly or indirectly, of the power to direct or cause the direction of the management and operating policies of the entity in respect of which the determination is being made through the ownership of the majority of its voting or equity securities, contract, voting trust or otherwise.

4.7 Customer shall promptly review all reports and documents provided or made accessible by Kronos or through the Payroll Services and shall inform Kronos of any inaccuracies not later than three (3) Business Days after receipt or notification of availability.

4.8 Customer is responsible for ensuring that the use of the Payroll Services to effect payments to or for its authorized users does not contravene any Applicable Law, including, without limitation, the Bank Secrecy Act, as amended by the USA PATRIOT Act, and any and all anti-money laundering laws and regulations now existing or promulgated after the date of this Section C. Any use of the Payroll Services in contravention of the foregoing sentence will be a material breach of this Section C by Customer.

4.9 Credentialing. Customer understands and acknowledges that the implementation and ongoing provision of Payroll Services are conditioned upon Customer and each Client Entity passing (and continuing to pass) a credentialing process that Kronos may deem necessary in connection with the provision of Payroll Services. Kronos shall have the right to (i) refuse to provide the Payroll Services for Customer with respect to any Client Entity that does not pass Kronos' initial credentialing process (ii) terminate the Payroll Services for Customer with respect to any Client Entity that does not continue to pass Kronos' ongoing credentialing process and (iii) terminate this Section C, and the WFR Terms, if Customer does not continue to pass Kronos' ongoing credentialing process. Customer shall be solely responsible for complying with all Applicable Laws, including, without limitation, ensuring the Covered Entities and payees of Customer on whose behalf Kronos

is causing the delivery of payments are not sanctioned parties under the regulations promulgated by the Office of Foreign Assets Control (OFAC). Customer shall also be responsible for (i) performing, and ensuring passage of, know your customer due diligence on all Covered Entities prior to requesting Kronos to provide any Payroll Services to such Covered Entities, and (ii) providing Kronos with the information as may be reasonably requested by Kronos, for each Client Entity prior to Kronos providing Payroll Services to such Client Entity. Customer agrees to provide Kronos with an accurate and complete listing of Covered Entities receiving any Payroll Services and to inform Kronos promptly of any changes in any Client Entity information previously provided to Kronos.

#### **Article 5. Warranty**

5.1 Kronos warrants that the Payroll Services will be provided in a professional and workmanlike manner. TO THE EXTENT PERMITTED UNDER APPLICABLE LAW, KRONOS DISCLAIMS ALL OTHER WARRANTIES RELATED TO THE SERVICES, EITHER EXPRESS OR IMPLIED, INCLUDING THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE. If Customer informs Kronos in writing that there is a material deficiency in the Payroll Services which is making this warranty untrue, Kronos will use its commercially reasonable efforts to correct the non-conforming Payroll Service at no additional charge, which, subject to Section 5.2 below, will be Customer's sole and exclusive remedy. Customer shall provide Kronos with reasonable information and assistance to enable Kronos to reproduce or verify the non-conforming aspect of the Payroll Services.

5.2 If Kronos makes an error or omission in the preparation or filing of Customer payroll tax returns, or breaches its obligation to cause the issuance of timely payments of payroll tax and/or business tax obligations, which error or failure results in an assessment of penalty or interest by any taxing authority against Customer, then Kronos' sole responsibility, and Customer's only remedy, will be for Kronos to correct the error or omission under this Section C and pay such penalty and interest (notwithstanding the dollar limitation on Kronos liability contained in this Section C). As a condition precedent to Kronos' obligation to pay such penalty and interest, Customer will provide Kronos timely notice of any such assessment, and Kronos shall be responsible for all defense actions for any such tax claim for penalties and interest, provided however, Customer shall be consulted during all stages of any defense. Timely notice to Kronos shall mean within ten (10) Business Days of receipt of the initial notice of assessment by Customer delivered to Kronos in accordance with the notice provisions described in the WFR Terms. Customer's failure to provide timely notice to Kronos shall release Kronos from any and all obligations to indemnify Customer for the payment of penalty and interest hereunder and/or for effecting such payments on Customer's behalf, but only to the extent such delay caused such or additional penalty, interest or other losses. At all times as between Kronos and Customer, Customer shall be exclusively responsible for any tax assessed but without limiting Kronos' remittance obligations included in the Payroll Services.

#### **Article 6. Independent Contractor and Subcontractors**

6.1 Kronos is acting as an independent contractor of Customer under this Section C. Without limiting the foregoing, Kronos shall serve as a limited agent for Customer solely for purposes of any required agency for filings and/or payments with the appropriate taxing authorities. Kronos is not otherwise an agent of Customer, nor are the Parties in a partnership, joint venture, or other similar relationship, and this Section C shall not be construed to authorize either Party to act as agent for the other except as expressly provided herein.

6.2 Customer acknowledges that in providing the Payroll Services, Kronos may use any agent, subcontractor or third party and may delegate its duties to such agent or third party to perform such tasks

and functions as Kronos chooses, including without limitation, third party software to perform Payroll Services and to store Customer Data, data security, and other services provided by third parties. Upon written request by the Customer, Kronos will notify Customer, in writing, if applicable with the third party used for specifically for the delivery of services for which Customer is ordering the services.

6.3 Customer acknowledges that Kronos is not rendering legal, tax, or accounting advice in connection with the Payroll Services, including without limitation Customer's obligation to withhold in a particular jurisdiction, nor is Kronos a fiduciary of Customer.

6.4 No third-party beneficiaries exist under this Section C.

#### **Article 7. Effects of Termination**

7.1 If this Section C is terminated or expires in accordance with its terms or otherwise terminated pursuant to a termination of the WFR Terms, for any reason, all rights and obligations of the parties hereunder shall terminate upon such expiration or termination, provided that all Customer indemnification obligations in Sections 1.1.1(b), 4.4.1, 4.4.2 and Article 8, as well as Sections 2 (with respect to amounts owed through the effective date of termination), 3, and 5 through and including 9 shall survive any expiration or termination of this WFR Terms.

#### **Article 8. Customer Responsibility**

8.1 Customer is solely responsible for: (a) any expense or financial obligation which is the responsibility of Customer hereunder; (b) any allegation that the Customer Content or its collection or use by Customer violates Applicable Laws; (c) the performance by Kronos of any of Customer's payroll tax duties (including, without limitation, acting as Customer's attorney-in-fact or reporting agent), except to the extent attributable to the gross negligence or willful neglect of Kronos; (d) the breach of any WFR Terms, covenant, duty or obligation of Customer arising hereunder, (e) Kronos filing an "APPLIED FOR" return as an accommodation to Customer, or (f) Customer directing Kronos to make a payment to any person or entity where issuance or receipt of such payment violates Applicable Law. This Section 8.1 shall survive the termination of this Section C.

8.2 Kronos and/or the applicable Kronos Indemnified Party will provide written notice to Customer promptly after receiving notice of any third-party Claim for which it seeks indemnification under this Section C. If the defense of such Claim is materially prejudiced by a delay in providing such notice, Customer will be relieved from providing such indemnity to the extent of the delay's impact on the defense. Customer shall immediately take control of the defense and investigation of such Claim and shall employ counsel reasonably acceptable to the applicable Kronos Indemnified Party to handle and defend the same, at the Customer's sole cost and expense. Customer will have sole control of the defense of any indemnified Claim and all negotiations for its settlement or compromise, provided that (i) Customer will not enter into any settlement which imposes any obligations or restrictions on the applicable Kronos Indemnified Parties without the prior written consent of applicable Kronos Indemnified Parties; and (ii) if Customer has refused or failed to assume control of the defense or to diligently pursue the defense thereafter, Kronos and/or applicable Kronos Indemnified Parties may assume sole control of the defense and all negotiation for any settlement or compromise of the applicable Claim in such a manner as Kronos and/or applicable Kronos Indemnified Parties may deem appropriate, at the applicable Kronos Indemnified Party's sole expense, until such time as Customer does assume such control. The applicable Kronos Indemnified Parties will cooperate fully (at Customer's request and expense) with Customer in the defense, settlement or compromise of any such action. The applicable Kronos Indemnified Parties may

retain their own counsel at its own expense, subject to Customer's rights above.

**Article 9. Extent and Limitations of Liability**

9.1 THE TOTAL AGGREGATE LIABILITY (REGARDLESS OF THE NUMBER OF CLAIMS) OF KRONOS TO CUSTOMER OR TO ANY THIRD PARTY IN CONNECTION WITH THIS SECTION C AND THE PROVISION OF PAYROLL SERVICES WILL BE LIMITED TO ACTUAL AND DIRECT DAMAGES PROVEN BY CUSTOMER, SUCH DAMAGES NOT TO EXCEED AN AMOUNT EQUAL TO THE TOTAL NET PAYMENTS RECEIVED BY KRONOS FOR THE PAYROLL SERVICES IN THE TWELVE (12) MONTH PERIOD IMMEDIATELY PRECEDING THE DATE ON WHICH THE FIRST CLAIM GIVING RISE TO LIABILITY ARISES.

9.2 EXCEPT AS EXPRESSLY STATED IN THIS SECTION C, NEITHER PARTY WILL BE LIABLE FOR ANY INDIRECT, CONSEQUENTIAL, INCIDENTAL, SPECIAL, OR PUNITIVE DAMAGES. NEITHER PARTY WILL BE LIABLE FOR THE COST OF ACQUIRING SUBSTITUTE OR REPLACEMENT SERVICES. NEITHER PARTY WILL BE LIABLE FOR ANY LOST OR IMPUTED PROFITS OR REVENUES OR LOST DATA RESULTING FROM DELAYS, NONDELIVERIES, MISDELIVERIES OR SERVICES INTERRUPTION, HOWEVER CAUSED, ARISING FROM OR RELATED TO THE PAYROLL SERVICES OR THIS SECTION C. THESE LIMITATIONS APPLY FOR ANY REASON, REGARDLESS OF ANY LEGAL THEORY AND FOR WHATEVER REASON LIABILITY IS ASSERTED. THIS IS TRUE EVEN IF KRONOS AND CUSTOMER HAVE TOLD EACH OTHER THAT EITHER ONE IS CONCERNED ABOUT A PARTICULAR TYPE OF LIABILITY.



## ATTACHMENT 2: PAYROLL SERVICES ADDITIONAL ITEMS

These items are charged in addition to the normal monthly per employee per month fee (PEPM) as they are incurred. For each miscellaneous item listed below, there is a brief description of how/when that charge could be incurred and the pricing detail and information are outline in the pricing information.

1. W-2/1099 Filings Price is per filing  
This fee covers the creation and submission of the electronic files for W2s at the federal and state level. There is no additional fee for printing W2 forms. This fee will apply to all records filed with the SSA each calendar year.
2. NSF Fee the Price is on per transaction basis  
If client utilizes the ACH Funding Method and fails to have the required funds in their designated account as required by and provided in the Agreement, causing Kronos to be issued a notice of Non-Sufficient Funds, Kronos, in addition to all its rights under the Agreement, will also charge Client an NSF Fee for each applicable transaction.
3. Fed Wire Fee Price is per wire
4. State Wire Fee Price is per wire  
If a client submits payroll that requires federal and/or state taxes to be deposited the same or next day, an additional charge of \$82.50 for federal and \$82.50 for state will be incurred. This would typically only occur if the client has submitted or funded their account late and order to avoid tax penalties Kronos must cause the issuances of a wire for the payment to the tax agency.
5. "Applied For" Status of Tax Jurisdictions Price is /month per account  
When a company begins to withhold taxes for their employees in a new state/jurisdiction the company has to apply to that jurisdiction for a tax filing ID number. They are allowed to file tax returns under an "applied for" status until they get their official tax id number. In the application on each of the tax codes, there is a box that can be checked called "Applied For Status" and the actual ID number field is left blank. Kronos will file returns under "Applied For" status but they charge a fee of \$38.50/month until a tax ID number is obtained, because a lot of the work is manual and requires additional effort.
6. ACH Returns/ Notice of Change - 1st/EE account
7. ACH Returns/ Notice of Change - 2nd if on same EE account
8. ACH Returns/ Notice of Change – Additional occurrence if on same EE account  
This fee is charged when either an employee's direct deposit account number has been rejected by the bank and the funds cannot be applied to the account (ACH Return), or when there has been a change to the employee's direct deposit routing number or account number that was not updated in the system and the bank has to manually change the information to apply the funds (Notice of Change – NOC). In either case, KRONOS will charge a fee of \$11.00 the first time it occurs for each specific employee direct deposit. If the client doesn't fix the account before the next payroll, and an additional notice from the bank is received, KRONOS will charge an additional \$55.00. Thereafter KRONOS will charge an additional \$82.50 for each notice received on the same employee account.
9. Off Cycle Payrolls  
Every scheduled payroll is included in the PEPM charge of \$1.55. This would include the regular payrolls (bi-weekly, weekly, monthly, semi-monthly) and could also include a regularly scheduled

bonus payroll (done each quarter, etc.). Off cycle payrolls occur outside this process. These are usually done to fix errors in the current payroll that cannot wait for the next scheduled payroll processing. This fee applies only to those off-cycle or “one off” payroll runs. This fee does not apply to manual checks issued by the client.

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| 10. Spilt Distributions  | Price per split   |
| Pay Statements/Direct Deposit Vouchers can be delivered overnight to different locations for each EIN for no additional cost. The Split Distribution fees covers the cost to package pay statements/direct deposit vouchers to ship to multiple locations within the same EIN. Note that this does not include combining checks/vouchers from different payrolls (i.e. weekly and bi weekly) into one package for distribution. That is not a supported delivery process.  |                   |
| 11. Amended Returns amendment  | Price per         |
| Filing all applicable payroll federal/state/local tax returns as indicated in this WFR Terms is included in the base PEPM fee of \$1.55. When adjustments are made to prior period payroll transactions that require Payroll Services to create a modified or “corrected” tax return to be filed with the taxing authorities, a fee of \$137.50 will be incurred.  |                   |
| 12. Mailing Individual Checks document   | Price per         |
| The preferred method of delivery is for each client to have their checks/direct deposit vouchers, W2s and 1099s to be delivered using the client’s FedEx account to central location(s). If the client wants to have the employee’s pay checks, direct deposit vouchers, W2s and/or 1099 statements delivered directly to their home address, this fee (\$0.75) will apply to each form mailed through the USPS and is in addition to the applicable posted fees. KRONOS will guarantee that W2s/1099s will be mailed by January 28 <sup>th</sup> of each year but cannot guarantee that delivery to the employee will occur by January 31 <sup>st</sup> of each year. |                   |
| 13. 1095C Printing printed   | Price per form    |
| Client’s may request that KRONOS print their 1095C forms at the end of the calendar year. This will require an annual election and clients will be charged the fee above. Forms are only printed on pressure seal stock and shipped to the client for distribution to employees. Clients may also print the forms themselves directly from the Kronos system.  |                   |
| 14. Payroll Rollback—after Payroll Submission Date   | Price per request |
| Request initiated by client to rollback a payroll <u>after</u> a payroll submission deadline—each request.   |                   |
| 15. Reopen Quarter End or Year End   | Price per request |
| Request initiated by client to reopen a QTR End or YR End—each request.  |                   |
| 16. QTR Filing – Inactive EIN’s each quarter.  | Price per return  |
| If the client closes a business during the year and wants W-2’s and year end processing completed this fee will apply. The \$137.50 fee is for each quarter and each return filed with zero returns.   |                   |
| 17. Quarter Closing Late Fee EIN   | Price per day/per |
| The client closes quarter after the contracted deadline.   |                   |

18. Year End Closing Late Fee  
EIN Price per day/per  
The client closes year end after the contracted deadline.
19. Reprint of W2 or 1099  
reprinted Price per form  
Client requests reprinting of a W2 or 1099.
20. W-2 Combined Reporting Print Service — Price is based on  
Base Fee + an additional fee per Form  
Combined W2 forms as may be required for firms designated as a Common Pay Agent as defined in the IRS Publication 15-A. IF so elected at the end of each calendar year, KRONOS will provide your W2 data to a third-party vendor to create combined forms and to generate printed copies. Combined paper W2 forms will be shipped to the client's address unless regular mail is requested. Copies of the forms will not be available to employees in WFR Employee Self Service but will be provided to client in a separate file.