LAKE COUNTY FOREST PRESERVES
www.LCFPD.org

Preservation, Restoration, Education and Recreation

DATE: April 5, 2018

MEMO TO: S. Michael Rummel, Chair
Finance Committee

FROM: Mary E. Kann
Director of Administration

RECOMMENDATION: Recommend approval of a Resolution authorizing the negotiation and award of a five year contract to ADP, Chicago, Illinois for the purchase of Outsourced Payroll Services and a Human Resource Information System (HRIS), in an amount not to exceed $323,000.00.

STRATEGIC DIRECTION SUPPORTED: Organizational Sustainability.

FINANCIAL DATA: This project was budgeted for in FY2017/2018 in account 19214100 805200 Computer Software in the amount of $100,000.00.

BACKGROUND: The District currently purchases payroll processing services from the County of Lake. As noted during the County's Human Resources Audit, this relationship is not in line with best practices and currently shifts payroll liability from the District onto the County. The decision was made that the County and the District would no longer share a common payroll and HRIS system.

The District issued a Request for Proposals on January 24, 2018, requesting responses from qualified firms specializing in Outsourced Payroll Services and HRIS. ADP was among the seven firms that submitted proposals for consideration. The District's Selection Committee, consisting of staff from Administration, Finance, and Facilities evaluated all of the proposals and recommends that ADP is the best choice to meet the District's needs.

ADP has proposed a comprehensive Outsourced Payroll and HRIS solution for the District. Their comprehensive solution will handle the complete employee lifecycle from onboarding to retirement. ADP's modules include onboarding, time and attendance, compensation management, benefit management and payroll processing. In additional, ADP will prepare and file District Federal and State taxes, garnishments and child support payments and insurance vendor files. Staff is seeking approval to negotiate and award a final five year contract for consulting services with ADP.

REVIEW BY OTHERS: Chief Operations Officer, Director of Finance, Purchasing Manager, Director of Administration, Manager, HR and Risk, Corporate Counsel.

STATE OF ILLINOIS)
) **SS**
COUNTY OF LAKE)

BOARD OF COMMISSIONERS
LAKE COUNTY FOREST PRESERVE DISTRICT
REGULAR APRIL MEETING
APRIL 10, 2018

MADAM PRESIDENT AND MEMBERS OF THE BOARD OF COMMISSIONERS:

Your **FINANCE COMMITTEE** presents herewith "a Resolution Awarding a Five Year Contract to ADP for Outsourced Payroll Services and a Human Resource Information System", and requests its approval.

FINANCE COMMITTEE:

Date:_____ ☐ **Roll Call Vote: Ayes: ____ Nays: ____**

                              ☐ **Voice Vote Majority Ayes: Nays: ____**

LAKE COUNTY FOREST PRESERVE DISTRICT
LAKE COUNTY, ILLINOIS

A RESOLUTION AWARDING A FIVE YEAR CONTRACT TO
ADP FOR OUTSOURCED PAYROLL SERVICES AND A HUMAN RESOURCE
INFORMATION SYSTEM

WHEREAS, the Lake County Forest Preserve District (the "District") desires to retain a firm for the purchase of Outsourced Payroll Services and a Human Resource Information System (the "Services"); and

WHEREAS, the Director of Administration and the Purchasing Manager have determined that the Services require personal confidence; and

WHEREAS, the Purchasing Manager has solicited proposals for the Services; and

WHEREAS, a selection committee comprised of staff reviewed the proposals and interviewed three firms and the selection committee and the Finance Committee recommend that the Board of Commissioners (i) find that the proposal submitted by ADP is the proposal that is most advantageous to the District; and (ii) award a contract for the Services to ADP (the "Contract") in an amount not to exceed $323,000.00 (the "Contract Price"); and

WHEREAS, the Board of Commissioners hereby finds that the proposal for the Services submitted by ADP is the proposal that is most advantageous to the District;

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of the Lake County Forest Preserve District, Lake County, Illinois, **THAT**:

Section 1: Recitals. The recitals set forth above are incorporated as a part of this Resolution by this reference.

Section 2: Negotiation and Award of Contract. The Executive Director (or his designee) is hereby authorized and directed to negotiate the Contract with ADP for the Services in the amount of the Contract Price, provided that the Contract shall require ADP to provide Services to the District, all in accordance with the prices and other criteria identified on Exhibit A attached hereto (the "Contract Criteria").

Section 3: Execution of Contract. After the Contract has been negotiated in accordance with the Contract Criteria, the Executive Director of the District is hereby authorized and directed to execute the Contract for the Services in the amount of the Contract Price.

Section 4. Payments. The District Treasurer shall make payments under the Contract only pursuant to and in accordance with the Contract terms.

Section 5. **Effective Date.** This Resolution shall be in full force and effect from and after its passage and approval in the manner provided by law.

       PASSED this _____ day of _____, 2018.

       AYES:

       NAYS:

       APPROVED this _____ day of _____, 2018.

                                      _____

                                      Ann B. Maine, President
                                      Lake County Forest Preserve District

ATTEST:

_____
Julie Gragnani, Secretary
Lake County Forest Preserve District

Exhibit No. _____

ADP WorkforceNow

Employee Size						
		Payroll Frequency (Bi-Weekly)	Payroll Cost Per Employee (Weekly)	HCM Broken Out Below (Monthly)	Time and Attendance Broken out Below (Monthly)	Bio-Metric Clocks Each (Monthly) (Optional)	W2s (500 Annual)
385							
		26	$1.39	$6.75	$3.40	$0.00	$4.60

Annual Sub-Total			$13,913.90	$31,185.00	$15,708.00	$0.00	$2,300.00

Implementation (One-Time)	$4,480.00	Broken out Below
ACH 18 Month Historical Conversion	$1,000.00	Optional
Processing/Delivery	$2,470.00	Annual

CORE TOTAL	$65,576.90

Total Estimated Promotional Impact

4 Months FREE over 2 years	$10,721.10	per year	$21,442.20

TOTAL First 2 Years	$54,855.80

HCM Core Module Breakdown	Price		Frequency	Annual Estimate		Implementation (One-Time)	
HR/Benefits Module	$	3.85	PEPM	$	17,787.00	$	1,400.00
Digital Document Storage	$	0.65	PEPM	$	3,003.00	$	400.00
ACA Administration	$	1.25	PEPM	$	5,775.00	$	400.00
Performance and Compensation Management Module	$	1.00	PEPM	$	4,620.00	$	800.00
	$	6.75		$	31,185.00	$	3,000.00

Time and Labor Management Core Breakdown							
Essential Time Module	$	3.40	PEPM	$	15,708.00	$	780.00

Payroll Module Core Breakdown							
Payroll Module Breakdown	$	1.39	PEP Payroll	$	13,913.90	$	700.00
				Total		$	4,480.00

Note - Used the Employee Count of 385 to represent an average number based on your seasonality. All Pricing is based on actual headcount.

Dear Christine Miller,

The following is the Statement of Work and quote to convert specific history from your prior vendor or legacy system to history viewer.

Client Information

Client Company Name : Lake County Forest District
Client Contact Name :   Christine Miller
Client Contact Phone :   (847) 968-3218
Client Contact Email Address :   cmiller@lcfpd.org
Co Code : NA
Region : 0060 - Chicago
Prior Vendor/Provider Name : CivicHR
Date Prior Vendor/Provider will terminate access to data : 7/31/2018

Employment/Talent History Data Conversion Work Order

Number of employees to be converted (Active + Terminated) : 50 - 499
Number of years to be converted: 1 - 5

Employment Profile History Elements to be Converted

Pay Rate History : Yes
Status History   : Yes
Position History : Yes

Talent Profile Elements

Licenses/Certifications: False

Skills: False

Education: False

Training: True

Awards: False

Memberships: False

Previous Employers: False

Previous Jobs: False

Performance: False

Disciplinary Action: False

Benefits & Time Elements (Employee level information only)*
*this includes only Benefit Employee Selection Information; no company level detail relative to plans are

included; details need to include both effective start and end dates.

Benefits: True
Time and Attendance: True

This SOW is for converting data from ONE database source only.

The cost for converting your history data is **$10,200.00** (**4Z/S00080**) one-time setup fee, and **$50.00** (**4Z/F00080**) recurring monthly fee, based on the information provided above.

The API is required as part of the project for reporting functionality. The cost associated with the API is one-time fee: estimated 2 hours @ **$175/hr** (**4Z-R0052A**), and **$20.00** recurring monthly fee.

Billing is based on the actual Number of Employees and Years of History. Any changes to the above details, would require a new Statement of Work.

Changes to the project scope or unforeseen issues could impact project cost and length.

During the Analysis meeting, data extraction timelines will be established with you and the project team. The extraction process will not begin until at least one first payroll processing has been completed.

Please review and provide your approval by returning this email to me. No work can be scheduled until approval has been received.

*****The ADP API statement of work and professional services letter of agreement are required as part of this project and also requires approval. Download both the API SOW and Letter of Agreement using links below and send to the client.

HRK Billable ADP API.pdf

Professional Services Letter of Agreement/Employment History 3.7.2018

If you have any questions, please feel free to contact me.

Approved by (Client):	ADP Sales:
Name:_____	Name: _____
Title: _____	Title: _____
Date: _____	Date: _____

ADP Professional Services

Investment Summary
Quote Number
02-2018-44087.1

ADP
A more human resource.™

Company Information

Lake County Forest Preserve District
1899 W Winchester Road
Libertyville, IL 60048
United States

Executive Contact

Christine Miller
Purchasing Manager
cmiller@lcfpd.org
(847) 968-3218

385	$5,480.00	$65,576.90	($10,336.10)
Total Employees	Implementation Costs	Total Annual Investment	Total Annual Savings during promotional period; See Terms

Expiration
5/10/2018

ADP Sales Associate

Barrett Graessle
UMDM
barrett.graessle@adp.com

Sales Order
Quote Number
02-2018-44087.1

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Processing Fees and Considerations
Number of Employees: 385 on Lake County Forest District

Per Processing	Count	Min	Base	Rate	Bi-Weekly	Annual
Workforce Now Payroll Solutions	385	-	$95.00	$1.39	$630.15	$16,383.90
• Essential Plus Payroll						

Monthly Processing	Count	Min	Base	Rate	Monthly	Annual
Workforce Now HCM Solutions	385	-	-	$5.75	$2,213.75	$26,565.00
• Enhanced HR						
• Benefits Administration						
• Document Cloud						
Workforce Now Time and Attendance	385	$250.00	-	$3.40	$1,309.00	$15,708.00
• Essential Time						
Talent Management and Activation	385	-	-	$1.00	$385.00	$4,620.00
• Performance and Goal Management						
• Compensation Management						
Additional Jurisdiction (if applicable)	2+			$8.95/month		
International Employees Rate (if applicable)				$3.00/month		

Annual Processing	Count	Min	Base	Rate		Annual
Year End Forms, W2s or 1099s	500	-	-	$4.60		$2,300.00

Total Annual Investment	Total Annual
Workforce Now Services	$65,576.90

Other Considerations
Setup

Implementation
- Implementation for Workforce Now Payroll Solutions — $700.00
- Implementation for Workforce Now HCM Solutions — $2,200.00
- Implementation for Workforce Now Time and Attendance — $780.00
- Implementation for Performance and Goal Management — $400.00
- Implementation for Compensation Management — $400.00
- Affordable Care Act (ACA) - Historical Hours Import up to18 months — $1,000.00

Sales Order
Quote Number
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Total Other Considerations	Total Setup
Implementation and Setup	$23,400.00
Implementation Discount Value	($17,920.00)
Estimated Total Net Implementation	$5,480.00

Sales Order
Quote Number
02-2018-44087.1

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(847) 968-3218

Important Project and Billing Information

Product
Billing for Payroll Processing Services, HCM and any module bundled into the single per employee per processing fee for payroll, is billed immediately following the client's first payroll processing. The billing count is based on the number of pays submitted during each processing period, therefore total billing may fluctuate.

Billing for Essential Time will begin on the date Essential Time is available for use by the client in a production environment. The billing count is based on all non-terminated employees in the Time Module. This count includes practitioners and supervisors.

Billing for all modules bundled under HCM Solutions will begin on the date the ADP Product or Service is available for use by the client in a production environment. The billing count is based on all unique lives in the database paid in the previous calendar month. Any non-terminated employees based outside the United States will be billed separately as International Employees.

Billing for all modules bundled under Talent Activation Suite will begin on the date the ADP Product or Service is available for use by the client in a production environment. The billing count is based on all unique lives in the Workforce Now database paid in the previous calendar month.

Promotion
Promotion is spread over the first two (2) years of services (also referred to as the Promotional Period) applying to months 7 & 8 each year from each product/controls start date. Actual promotional value may vary based on a number of reasons, including but not limited to: start date, number of processings during the promotional month(s) and actual number of employees paid during the promotional months.

Other
Start Date: Payroll:8/1/2018 | HCM:8/1/2018 | Time:8/1/2018
ADP's Fees for Service will be debited directly out of client's bank account of their choosing seven (7) days from invoice date.
Expiration Date: 5/10/2018

Summary

Estimated Annual Net Investment:	$65,576.90	
Total Net Implementation:	$5,480.00	
Estimated Annual Net Investment during promotional period:	$55,240.80	

The ADP Services Listed on this Sales Order are provided at the prices set forth herein and in accordance with the ADP Master Services Agreement (or other similar agreement governing ADP's services), which shall include any appendix, exhibit, addendum, schedule or other similar document attached thereto or accompanying this Sales Order. By signing below you are acknowledging and agreeing to such terms and conditions and to the listed prices.

Sales Order
Quote Number
02-2018-44087.1

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United States

Executive Contact

Christine Miller
Purchasing Manager
cmiller@lcfpd.org
(847) 968-3218

ADP, LLC

Client: Lake County Forest Preserve District

Signature: _____

Name: _____

Title: _____

Date: _____

Signature: _____

Name: _____

Title: _____

Date: _____

Sales Order
Quote Number
02-2018-44087.1

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Workforce Now Included Services

Essential Plus Payroll
- Tax Filing Service
- Payment Services
- Reports Library and Custom Report Writer
- Wage Garnishment Processing
- Group Term Life Auto Calculation
- One Delivery Location
- Employee and Manager Self Service
- Access to Mobile Apps
- Employee Discount Program
- New Hire Reporting
- General Ledger Solution
- Online Reports and Pay Statements

Enhanced HR
- ADP Portal with Customized Content
- Paid Time Off (PTO) Accruals Engine
- Multiple Language & Currencies
- Country Specific Workflows & Processes
- Country Specific Custom Fields & Formatting
- Employee and Manager Self Service
- Employee Development Tracking
- Onboarding
- Compliance Reporting
- Organization Charting
- Policy Acknowledgement

Benefits Administration
- Multiple Benefit Plan Types
- Flexible Rate Structures (Age Banded & Salary Tiers)
- Notifications & Approvals
- Invoice Auditing
- Annual 1095-C Forms
- Dependent & Beneficiary Tracking
- Employee Open Enrollment
- ACA Measurement Dashboard
- Evidence of Benefit Offering Screens
- Annual 1094-C Filing

Document Cloud
- Secure Cloud Based Document Storage
- Search & Auditing Functionality
- Digital Employee Record
- Roles Based Security

Essential Time
- Time Collection
- PTO Management & Reporting
- Request & Approval Workflows
- ADP Portal with Customized Content
- Rule Based Calculations
- Scheduling
- Mobile Access
- Paid Time Off Accruals

Performance and Goal Management
- Custom Performance Review Templates
- 360 Degree Peer Review
- Employee Goal Management
- Manager Dashboard

Compensation Management
- Performance & Award Alignment
- Budget and Award Guidelines

Sales Order
Quote Number
02-2018-44087.1

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United States

Executive Contact

Christine Miller
Purchasing Manager
cmiller@lcfpd.org
(847) 968-3218

Workforce Now Included Services

- Configurable Merit Matrix
- Configurable Workflow

Thank you for your consideration

ADP, LLC: (referred to herein as "ADP")

One ADP Boulevard
Roseland, New Jersey 07068
United States

Client: (referred to herein as "Client")

Lake County Forest Preserve District
1899 W Winchester Road

Libertyville, IL 60048, United States

03-27-2018
(Effective Date)

Attention
Christine Miller

ADP and Client agree that ADP shall provide Client with the following services in accordance with the terms and subject to the conditions set forth in this Major Accounts Services Master Services Agreement (the "Agreement")

ANNEX A:	GENERAL TERMS AND CONDITIONS
ANNEX B:	PAYROLL PROCESSING, TAX FILING & PAYMENT SERVICES
ANNEX C:	TIME AND ATTENDANCE SERVICES
ANNEX D:	HR, BENEFITS AND TALENT MANAGEMENT SERVICES
ANNEX X:	ACA SERVICES - ADDITIONAL TERMS AND CONDITIONS FOR ADP PROFESSIONALSERVICES (**if Client requires historical data conversion to be performed by ADP ProfessionalServices

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

This Agreement includes the Annexes related to the services selected by Client. Each Annex listed above is attached hereto and is incorporated into this Agreement in full by this reference as if set forth in this Agreement in full.

ADP, LLC	CLIENT
_____	_____
(Signature of Authorized Representative)	(Signature of Authorized Representative)
_____	_____
(Name - Please Print)	(Name - Please Print)
_____ _____	_____ _____
(Title) (Date)	(Title) (Date)

1 Definitions.

1.1 "**ADP**" has the meaning set forth on the cover page.

1.2 "**ADP Application Programs**" means the computer software programs and related Documentation, including any updates, modifications or enhancements thereto, that are either delivered or made accessible to Client through a hosted environment by ADP in connection with the Services.

1.3 "**ADP Workforce Now**" means ADP's web-based portal which provides a single point of access to ADP online solutions and employee-facing websites and resources related to payroll, HR, benefits, talent, and time and attendance. A general description of the Services can be found at www.productdescription.majoraccounts.adp.com (which may be modified from time to time provided, however, that any such modifications will not have a material adverse impact on any of the Services Client is receiving).

1.4 "**Agreement**" means this Major Accounts Services- Master Services Agreement, consisting of the signature pages, the General Terms and Conditions, all exhibits, annexes, addendum, appendices and schedules, and each Amendment, if any.

1.5 "**Affiliate**" means any individual, corporation or partnership or any other entity or organization (a "**person**") that controls, is controlled by or is under common control with Client. For purposes of the preceding definition, "control" shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such person, whether through ownership of voting securities or by contract or otherwise.

1.6 "**API**" means ADP approved application programming interface(s) that support point to point interaction of different systems.

1.7 "**Approved Country**" means each country in which, subject to the terms of this Agreement, Client is authorized to use or receive the Services. The Approved Country for the Services is the United States.

1.8 "**Access Country**" means each country in which, subject to the terms of this Agreement, Client is authorized to use or access the HR and/or Talent modules of ADP Workforce Now (but specifically excluding document cloud services and any other modules/tools that ADP, in its sole discretion, determines shall not be accessible to Client employees located outside the United States) and as approved by ADP. A list of Access Countries for the applicable Services is found at found at www.productdescription.majoraccounts.adp.com.

1.9 "**Business Day**" means any day, except a Saturday, Sunday or a day on which ADP's bank is not open for business in the applicable jurisdiction where services are provided by ADP.

1.10 "**Client**" has the meaning set forth on the cover page.

1.11 "**Client Content**" means all information and materials provided by Client, its agents or employees, regardless of form, to ADP under this Agreement.

1.12 "**Client Group**" means Client and Client's Affiliates means Client and Client's Affiliates who are receiving Services under this Agreement pursuant to a Sales Order.

1.13 "**Client Infringement Event**" means (i) any change, or enhancement in the Services made by Client or any third party on behalf of Client other than at the direction of, or as approved by, ADP, (ii) Client's use of the Services except as contemplated by this Agreement, or (iii) to the extent ADP Application Programs include computer software programs, Client's use of other than the most current release or version of such computer software programs included in the ADP Application Programs, or Client's failure to use corrections or enhancements to such computer software programs included in the ADP Application Programs, in each case provided by ADP to Client at no charge, that results in a claim or action for infringement that could have been avoided by use of such current release or version, or by such corrections or enhancements.

1.14 "**Confidential Information**" means all information of a confidential or proprietary nature, including pricing and pricing related information and all Personal Information, provided by the disclosing party to the receiving party under this Agreement but does not include (i) information that is already known by the receiving party, (ii) information that becomes generally available to the public other than as a result of disclosure by the receiving party in violation of this Agreement, and (iii) information that becomes known to the receiving party from a source other than the disclosing party on a non-confidential basis.

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

1.16 "**General Terms and Conditions**" means the terms and conditions contained in this Annex A.

1.17 "**Gross Negligence**" has the meaning set forth in Section 7.3.1.

1.18 "**Improvements**" has the meaning set forth in Section 5.4

1.19 "**Incident**" means a security breach (as defined in any applicable law) or any other event that compromises the security, confidentiality or integrity of Client's Personal Information.

1.20 "**Indemnitees**" has the meaning set forth in Section 6.3

1.21 "**Indemnitor**" has the meaning set forth in Section 6.3

1.22 "**Intellectual Property Rights**" means all rights, title and interest to or in patent, copyright, trademark, service mark, trade secret, business or trade name, know-how and rights of a similar or corresponding character.

1.23 "**Internal Business Purposes**" means the usage of the Services solely by the Client Group for its own internal business purposes, without the right to provide service bureau or other data processing services, or otherwise share or distribute the Services, to any party outside the Client Group, unless expressly contemplated by this Agreement.

1.24 "**NACHA**" means the National Automated Clearing House Association.

1.25 "**OFAC**" means the Office of Foreign Assets Control.

1.26 "**Payee**" means any intended recipient of payments under the Payment Services and may include Client's employees, taxing authorities, governmental agencies, suppliers, benefit carriers and/or other third parties; provided that in the case of ADP Wage Payment Services, Payee shall be limited to Client's employees and independent contractors.

1.27 "**Payment Services**" means any Services that involve electronic or check payments being made by ADP to third parties on Client's behalf and at its direction.

1.28 "**Personal Information**" means information relating to an identified or identifiable natural person. An identifiable natural person is one who can be identified, directly or indirectly, in particular by reference to an identification number or to one or more factors specific to such person's physical, physiological, mental, economic, cultural or social identity.

1.29 "**Price Agreement**" means a supplemental agreement between the parties that addresses future price increase rates on certain Services over a specific period of time.

1.30 "**Sales Order(s)**" means the document(s) between the parties that lists the specific Services purchased by Client Group from ADP.

1.31 "**Services**" means the services (including implementation services related thereto) listed in any Sales Order, and such other services as the parties may agree to be performed from time to time.

1.32 "**SOC 1**" means any routine Service Organization Control 1 reports.

1.33 "**Termination Event**" means with respect to any party, the occurrence of any of the following: (i) under the applicable bankruptcy laws or similar law regarding insolvency or relief for debtors, (A) a trustee, receiver, custodian or similar officer is appointed over a party's business or property, (B) a party seeks to liquidate, wind-up, dissolve, reorganize or otherwise obtain relief from its creditors, or (C) an involuntary proceeding is commenced against a party and the proceeding is not stayed, discharged or dismissed within thirty (30) days of its commencement, or (ii) a party's Standard and Poor's issuer credit rating falls to or below BB.

1.34 "**User**" means any single natural person who, subject to the terms of this Agreement, is authorized by Client to use, access or receive the Services.

2   Provision and Use of Services

2.1   Provision of Services. ADP, or one of its Affiliates, will provide the Services to Client in accordance with the terms of this Agreement and any applicable Sales Order(s). ADP will provide the Services in a good, diligent and professional manner in accordance with industry standards, utilizing personnel with a level of skill commensurate with the Services to be performed. ADP's performance of the Services (including any applicable implementation activities) is dependent upon the timely completion of Client's responsibilities and obligations under this Agreement. Without limitation of the foregoing, Client will timely provide the Client Content necessary for ADP to provide the Services.

2.2   Cooperation. ADP and Client will work together to implement the Services. Client will cooperate with ADP and execute and deliver all documents, forms, or instruments necessary for ADP to implement and render the Services. Client will provide ADP with all reasonable and necessary Client Content in the format requested by ADP, and will otherwise provide all reasonable assistance required of Client in order for ADP to implement the Services.

2.3   Use of Services. Client will use the Services in accordance with the terms of this Agreement and solely for its own Internal Business Purposes in the Approved Country and the Access Countries. Client will be responsible for the use of the Services by the Client Group and the Users in accordance with the terms of this Agreement. Client is responsible for the accuracy and completeness of the Client Content provided to ADP.

2.4   Errors. Client will promptly review all documents and reports produced by ADP and provided or made available to Client in connection with the Services and promptly notify ADP of any error, omission, or discrepancy with Client's records. ADP will promptly correct such error, omission or discrepancy and, if such error, omission or discrepancy was caused by ADP, then such correction will be done at no additional charge to Client.

2.5   Records. Without prejudice to ADP's obligation to retain the data necessary for the provision of the Services, ADP does not serve as Client's record keeper and Client will be responsible for retaining copies of all documentation received from and Client Content provided to ADP in connection with the Services to the extent required by Client.

3   Compliance.

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

3.2.   Design of the Services. ADP will design the Services, including the functions and processes applicable to the performance of the Services, to assist the Client in complying with its legal and regulatory requirements applicable to the Services, and ADP will be responsible for the accuracy of such design. Client and not ADP will be responsible for (i) how it uses the Services to comply with its legal and regulatory requirements and (ii) the consequences of any instructions that it gives or fails to give to ADP, including as part of the implementation of the Services, provided ADP follows such instructions. Services do not include any legal, financial, regulatory, benefits, accounting or tax advice.

3.3.   Online Statements. If Client instructs ADP to provide online pay statements, Forms W2, Forms 1099 or Forms 1095-C, as applicable, without physical copies thereof, Client will be exclusively responsible for determining if and to what extent Client's use of online pay statements, Forms W2, Forms 1099 or Forms 1095-C, as applicable, satisfies Client's obligations under applicable laws and the consequences resulting from such determinations.

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

4   Confidentiality

4.1   **General**. All Confidential Information disclosed under this Agreement will remain the exclusive and confidential property of the disclosing party. The receiving party will not disclose to any third party the Confidential Information of the disclosing party and will use at least the same degree of care, discretion and diligence in protecting the Confidential Information of the disclosing party as it uses with respect to its own confidential information. The receiving party will limit access to Confidential Information to its employees with a need to know the Confidential Information and will instruct those employees to keep such information confidential. ADP may disclose Client's Confidential Information on a need to know basis to (i) ADP's subcontractors who are performing the Services, provided that ADP shall remain liable for any unauthorized disclosure of Client's Confidential Information by those subcontractors, (ii) employees of ADP's Affiliates, provided such employees are instructed to keep the information confidential as set forth in this Agreement and (iii) social security agencies, tax authorities and similar third parties, to the extent strictly necessary to perform the Services. ADP may use Client's and its employees' and other Services recipients' information in an aggregated, anonymized form, such that neither Client nor such person may be identified, and Client will have no ownership interest in such aggregated, anonymized data. Client authorizes ADP to release employee-related data, and such other data as required to perform the Services, to third party vendors of Client as designated by Client from time to time. Notwithstanding the foregoing, the receiving party may disclose Confidential Information (x) to the extent necessary to comply with any law, rule, regulation or ruling applicable to it, (y) as appropriate to respond to any summons or subpoena or in connection with any litigation and (z) to the extent necessary to enforce its rights under this Agreement.

4.2   **Return or Destruction**. Upon the request of the disclosing party or upon the expiration or earlier termination of this Agreement, and to the extent feasible, the receiving party will return or destroy all Confidential Information of the disclosing party in the possession of the receiving party, provided that each party may maintain a copy if required to meet its legal or regulatory obligations and may maintain archival copies stored in accordance with regular computer back-up operations. To the extent that any portion of Confidential Information of a disclosing party remains in the possession of the receiving party, such Confidential Information shall remain subject to the generally applicable statutory requirements and the confidentiality protections contained in Section 4.1.

4.3   **Transfer.** The Services may be performed by ADP Affiliates or subcontractors located in other countries, and ADP may transfer or permit access to Client's Confidential Information, including employees' Personal Information, for the purposes of performing the Services outside of Canada and the United States of America. As a result, Client's employees' Personal Information may be subject to the laws of such jurisdictions and may be accessible to the courts and law enforcement authorities of those jurisdictions. Notwithstanding the foregoing, ADP will remain responsible for any unauthorized disclosure or access of Client's employees' Personal Information by any ADP Affiliate or subcontractor in the performance of any such Services.

5   INTELLECTUAL PROPERTY

5.1   **Client IP Rights.** Except for the rights expressly granted to ADP in this Agreement, all rights, title and interests in and to Client Content, including all Intellectual Property Rights inherent therein and pertaining thereto, are owned exclusively by Client or its licensors. Client hereby grants to ADP for the term of this Agreement a non-exclusive, worldwide, non-transferable, royalty-free license to use, edit, modify, adapt, translate, exhibit, publish, reproduce, copy and display the Client Content for the sole purpose of performing the Services; provided Client has the right to pre-approve the use by ADP of any Client trademarks or service marks.

5.2   **ADP IP Rights.** Except for the rights expressly granted to Client in this Agreement, all rights, title and interest in and to the Services, including all Intellectual Property Rights inherent therein and pertaining thereto, are owned exclusively by ADP or its licensors. ADP grants to Client for the term of this Agreement a personal, non-exclusive, non-transferable, royalty-free license to use and access the ADP Application Programs solely for the Internal Business Purposes in the Approved Countries and the Access Countries. The ADP Application Programs do not include any Client-specific customizations unless otherwise agreed in writing by the parties. Client will not obscure, alter or remove any copyright, trademark, service mark or proprietary rights notices on any materials provided by ADP in connection with the Services, and will not copy, decompile, recompile, disassemble, reverse engineer, or make or distribute any other form of, or any derivative work from, such ADP materials.

5.3   **Ownership of Reports.** Client will retain ownership of the content of reports and other materials that include Client Content produced and delivered by ADP as a part of the Services, provided that ADP will be the owner of the format of such reports. To the extent any such reports or other materials incorporate any ADP proprietary information, ADP (i) retains sole ownership of such proprietary information and (ii) provides the Client a fully paid up, irrevocable, perpetual, royalty-free license to access and use same for its Internal Business Purposes without the right to create derivative works (other than derivative works to be used solely for its Internal Business Purposes) or to further distribute any of the foregoing rights outside the Client Group.

5.4   **Improvements**. ADP will make available to Client, at no additional cost, software improvements, enhancements, or updates to any ADP Application Programs that are included in the Services (collectively "Improvements") if and as they are made generally available by ADP at no additional cost to ADP's other clients using the same ADP Application Programs as Client and receiving the same Services as Client. All Improvements provided under this Section 5.4 shall be considered part of the ADP Application Programs

6   Indemnities

6.1   ADP Indemnity. Subject to the remainder of this Section 6.1, and Section 6.3 and 7, ADP shall defend Client in any suit or cause of action, and indemnify and hold Client harmless against any damages payable to any third party in any such suit or cause of action, alleging that the Services or ADP Application Programs, as provided by ADP and used in accordance with the terms of this Agreement, infringe upon any Intellectual Property Rights of a third party in an Approved Country.   The foregoing infringement indemnity will not apply and ADP will not be liable for any damages assessed in any cause of action to the extent resulting from a Client Infringement Event or ADP's use of Client Content as contemplated by this Agreement. If any Service is held or believed to infringe on any third-party's Intellectual Property Rights, ADP may, in its sole discretion, (i) modify the Service to be non-infringing, (ii) obtain a license to continue using such Service, or (iii) if neither (i) nor (ii) are practical, terminate this Agreement as to the infringing Service.

6.2   Client Indemnity. Subject to Sections 6.3 and 7, Client will defend ADP against any third party claims and will indemnify and hold ADP harmless from any resulting damage awards or settlement amounts in any cause of action to the extent such cause of action is based on the occurrence of a Client Infringement Event or ADP's use of Client Content as contemplated by this Agreement.

6.3   Indemnity Conditions. The indemnities set forth in this Agreement are conditioned on the following: (i) the party claiming indemnification (the "Indemnitee") shall promptly notify the indemnifying party (the "Indemnitor") of any matters in respect of which it seeks to be indemnified, and shall give the Indemnitor full cooperation and opportunity to control the response thereto and the defense thereof, including without limitation any settlement thereof, (ii) the Indemnitor shall have no obligation for any claim under this Agreement if the Indemnitee makes any admission, settlement or other communication regarding such claim without the prior written consent of the Indemnitor, which consent shall not be unreasonably withheld, and (iii) the Indemnitee's failure to promptly give notice to the Indemnitor shall affect the Indemnitor's obligation to indemnify the Indemnitee only to the extent the Indemnitor's rights are materially prejudiced by such failure. The Indemnitee may participate, at its own expense, in such defense and in any settlement discussions directly or through counsel of its choice.

7   Limit on Liability

7.1   Ordinary Cap. Notwithstanding anything to the contrary in this Agreement and subject to the remainder of this Section 7, neither party's aggregate limit on monetary damages in any calendar year shall exceed an amount equal to six (6) times the average ongoing monthly Services fees paid or payable to ADP by Client during such calendar year (the "Ordinary Cap"). ADP will issue Client a credit(s) equal to the applicable amount and any such credit(s) will be applied against subsequent fees owed by Client.

7.2   Extraordinary Cap. As an exception to Section 7.1, if damages (monetary or otherwise) arise from a breach of Section 4.1 (Confidentiality) or Section 9.3 (Data Security), the Ordinary Cap will be increased by an additional six (6) times the average ongoing monthly Service fees paid or payable to ADP by Client during such calendar year (the "Extraordinary Cap"). For the avoidance of doubt, in no case shall either party's aggregate limit on monetary damages in any calendar year under this Agreement exceed twelve (12) times the average monthly ongoing Service fees paid or payable to ADP by Client during such calendar year.

7.3   Matters not Subject to Either Cap.   The limitations of liability set forth in Sections 7.1 and 7.2 shall not apply to:

7.3.1   Either party's Gross Negligence, or willful, criminal or fraudulent misconduct; for the purposes of this Agreement, "Gross Negligence" shall be defined as: (1) willful, wanton, careless or reckless conduct, misconduct, failures, omissions, or disregard of the duty of care towards others of a risk known or so obvious that the actor must be taken to have been aware of it, and with an intent to injure or so great as to make it highly probable that harm would follow and/or (2) failure to use even the slightest amount of care, or conduct so reckless, as to demonstrate a substantial lack of concern for the safety of others. For the avoidance of doubt, Gross Negligence must be more than any mere mistake resulting from inexperience, excitement, or confusion, and more than mere thoughtlessness or inadvertence or simple inattention;

7.3.2   The infringement indemnity set forth in Sections 6.1 and 6.2;

7.3.3   Client's obligations to pay the fees for Services;

7.3.4   ADP's obligations to provide credit monitoring and notifications as set forth in Section 10.2;

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

7.3.6   ADP's loss or misdirection of Client funds in possession or control of ADP due to ADP's error or omission;

7.3.7   In connection with the Employment Tax Services as provided in Annex B, (a) interest charges imposed by an applicable tax authority on Client for the failure by ADP to pay funds to the extent and for the period that such funds were held by ADP and (b) all tax penalties resulting from ADP's error or omission in the performance of such Service. The provisions of this (iv) shall only apply if (x) Client permits ADP to act on Client's behalf in any communications and negotiations with the applicable taxing authority that is seeking to impose any such penalties or interest and (y) Client assists ADP as reasonably required by ADP.

7.3.8   Client's use or access of the Services and/or ADP Application Programs outside of the Approved Countries and/or Access Countries.

7.4   Mitigation of Damages. ADP and Client will each use reasonable efforts to mitigate any potential damages or other adverse consequences arising from or relating to the Services.

7.5   No Consequential Damages.   NOTWITHSTANDING ANYTHING TO THE CONTRARY IN THIS AGREEMENT AND ONLY TO THE EXTENT PERMITTED BY APPLICABLE LAW, NONE OF ADP, CLIENT OR ANY BANK WILL BE RESPONSIBLE FOR SPECIAL, INDIRECT, INCIDENTAL, CONSEQUENTIAL OR OTHER SIMILAR DAMAGES (INCLUDING DAMAGES FOR LOSS OF BUSINESS OR PROFITS, BUSINESS INTERRUPTIONS OR HARM TO REPUTATION) THAT ANY OTHER PARTY OR ITS RESPECTIVE AFFILIATES MAY INCUR OR EXPERIENCE IN

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

8   WARRANTIES AND DISCLAIMER

8.1   **Warranties**.   Each party warrants that (i) it has full corporate power and authority to execute and deliver this Agreement and to consummate the transactions contemplated hereby and (ii) this Agreement has been duly and validly executed and delivered and constitutes the valid and binding agreement of the parties, enforceable in accordance with its terms.

8.2   **DISCLAIMER**. EXCEPT AS EXPRESSLY SET FORTH IN THIS AGREEMENT, ALL SERVICES, ADP APPLICATION PROGRAMS AND EQUIPMENT PROVIDED BY ADP OR ITS SUPPLIERS ARE PROVIDED "AS IS" AND ADP AND ITS LICENSORS AND SUPPLIERS EXPRESSLY DISCLAIM ANY WARRANTY, EITHER EXPRESS OR IMPLIED, INCLUDING WITHOUT LIMITATION, ANY IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, COMPLETENESS, CURRENTNESS, NON-INFRINGEMENT, NON-INTERRUPTION OF USE, AND FREEDOM FROM PROGRAM ERRORS, VIRUSES OR ANY OTHER MALICIOUS CODE, WITH RESPECT TO THE SERVICES, THE ADP APPLICATION PROGRAMS, ANY CUSTOM PROGRAMS CREATED BY ADP OR ANY THIRD-PARTY SOFTWARE DELIVERED BY ADP AND RESULTS OBTAINED THROUGH THE USE THEREOF.

9   SECURITY AND CONTROLS

9.1   **Service Organization Control Reports.** Following completion of implementation of any applicable Services, ADP will, at Client's request and at no charge, provide Client with copies of any routine Service Organization Control 1 reports ("SOC 1 Reports") (or any successor reports thereto) directly related to the core ADP Products utilized to provide the Services provided hereunder for Client and already released to ADP by the public accounting firm producing the report. SOC 1 Reports are ADP Confidential Information and Client will not distribute or allow any third party (other than its independent auditors) to use any such report without the prior written consent of ADP.   Client will instruct its independent auditors or other approved third parties to keep such report confidential and Client will remain liable for any unauthorized disclosure of such report by its independent auditors or other approved third parties.

9.2   **Business Continuity; Disaster Recovery.** ADP has established and will maintain a commercially reasonable business continuity and disaster recovery plan and will follow such plan.

9.3   **Data Security.** ADP has established and will maintain an information security program containing appropriate administrative, technical and physical measures to protect Client data (including any Personal Information therein) against accidental or unlawful destruction, alteration, unauthorized disclosure or access consistent with applicable laws. In the event ADP suspects any unauthorized access to, or use of, the Services, ADP may suspend access to the Services to the extent ADP deems necessary to preserve the security of the Client's data.

10   DATA SECURITY INCIDENT

10.1   **Notification.** If ADP becomes aware of a security breach (as defined in any applicable law) or any other event that compromises the security, confidentiality or integrity of Client's Personal Information (an "**Incident**"), ADP will take appropriate actions to contain, investigate and mitigate the Incident. ADP shall notify Client of an Incident as soon as reasonably possible.

10.2   **Other ADP Obligations**. In the event that an Incident is the result of the failure of ADP to comply with the terms of this Agreement, ADP shall, to the extent legally required or otherwise necessary to notify the individuals of potential harm, bear the actual, reasonable costs of notifying affected individuals. ADP and Client shall mutually agree on the content and timing of any such notifications, in good faith and as needed to meet applicable legal requirements. In addition, where notifications are required and where such monitoring is practicable and customary, ADP shall also bear the cost of one year of credit monitoring to affected individuals in applicable jurisdictions.

11   PAYMENT TERMS

11.1   **Fees and Fee Adjustments.** Client will pay to ADP the fees and other charges for the Services as set forth in the Sales Order. Unless there is a Price Agreement in effect, the fees set forth in the Sales Order will remain fixed during the first six (6) months following the Effective Date and thereafter, ADP may modify the fees on an annual basis upon thirty (30) days' prior written notice to Client. The fees presented in the Sales Order were calculated based upon particular assumptions relative to Client requirements (including funding requirements), specifications, volumes and quantities as reflected in the applicable Sales Order and related documentation, and if Client's actual requirements vary from what is stated, ADP may adjust the fees based on such changes. The fees do not include any customizations to any Service.

11.2 **Additional Services and Charges.** If Client requests additional services offered by ADP not included in this Agreement, and ADP agrees to provide such services: (i) those services and related fees will be included in a separate Sales Order; (ii) any Services provided to Client but not included in a Sales Order will be provided subject to the terms of this Agreement and charged at the applicable rates as they occur; and (iii) those services will be considered to be "Services" for purposes of this Agreement. Additional charges may be assessed Client in relation to the performance of the Services in certain circumstances, including without limitation, late funding, an insufficient funds notification and emergency payment requests from Client.

11.3 **Fees for Implementation Services.** Implementation fees are due and payable by Client upon the go-live date for such Services. However, if this Agreement or any Service are terminated after implementation services have started but before the go-live date, the greater of the following amounts shall be immediately due and payable by Client: (i) implementation fees for implementation services performed up to the date of termination; or (ii) 30% of the total Implementation Fees set out in the Sales Order.

11.4 **Invoicing.** ADP will notify Client of all applicable Services fees payable by Client by way of invoice or other method (i.e. ADP's on-line reporting tool). Client will pay the amount on each invoice or such other similar document in full within seven (7) days of notification via the agreed to method of payment. All amounts not paid when due are subject to a late payment charge of one and one-half percent (1½%) per month (not to exceed the maximum allowed by applicable law) of the past due amount from the due date until the date paid.

11.5 **Currency.** Client shall pay the fees in US dollars.

11.6 **Taxes.** Unless Client provides ADP a valid tax exemption or direct pay certificate, Client will pay directly, or will pay to ADP, an amount equal to all applicable taxes or similar fees levied or based on the Agreement or the Services, exclusive of taxes based on ADP's net income.

11.7 **Postage, Shipping Travel and out-of-pocket expenses**. ADP will invoice Client for postage charges, delivery charges, other third party charges, and reasonable travel and out-of-pocket expenses as necessary to provide the Services.

11.8 **Funding Requirements and Disbursement Disclosures.** With respect to Payment Services to be deducted by ACH or Pre-Authorized Debit, Client must have sufficient good funds for payment of the payroll obligations, tax filing obligations, wage garnishment deduction obligations, service fees (as applicable), expenses, and any other applicable charges, to be direct debited from Client's designated account no later than one (1) banking days prior to the pay date for the applicable payroll (in the case of payroll processing services), or as otherwise agreed by the parties. For reverse wire clients, funds must be available (a) one (1) banking day prior to the pay date for the applicable payroll (in the case of the ADP Employment Tax Services) and (b) two (2) banking days prior to the pay date for all other Payment Services, or as otherwise agreed by the parties. In consideration for the additional costs incurred by ADP in providing wire transfer service, Client agrees to pay a reasonable fee (currently $10.00) for each wire transfer. Notwithstanding the foregoing, ADP reserves the right to modify the aforementioned deadlines at any time and will communicate any such modifications to Client.

11.9 **Change Control.** In the event either party requests a change in the scope of Services (including implementation services) or any rework is required by ADP as a result of a delay by Client in implementation of any Services (each a "**Change Control Item**"), the parties shall address such change request, if possible via ADP's change control process. Change Control Items and the cost associated with such changes (if any) to the Services shall be mutually agreed to by the parties and shall be defined in a Statement of Work agreed to by the parties, with the exceptions of Change Control Items that are required to be made by law or regulation applicable to the Services or to the duration of implementation services, which ADP will notify Client of prior to making the change.

12 **Term; Termination; Suspension**

12.1 **Term; Termination for Convenience** This Agreement will commence on the Effective Date and remain in effect until terminated by either party in accordance with the terms hereof. Subject to the terms of any Price Agreement, either party may terminate this Agreement or any Service upon ninety (90) days' prior written notice to the other party. In the event Client does not provide ADP with the proper notice as set forth in the previous sentence (or as set forth in any Annex herein), Client shall pay ADP for any fees for Services that would have been incurred by Client during such notice period (calculated based on an average of the prior six months of invoices for such terminated Services, or shorter period of time if there has been less than six months of invoices).

12.2 **Termination for Cause.** Either party may terminate this Agreement for the other's material breach of this Agreement if such breach is not cured within sixty (60) days following notice thereof or in the event either party is the subject of a Termination Event. In addition, ADP may terminate this Agreement in the event Client fails to timely pay fees for Services performed within 10 days following notice that such fees are past due. ADP may also terminate this Agreement or the Services immediately on written notice to Client if the provision of Service to Client causes or will cause any affiliate or subsidiary of ADP to be in violation of any laws, rules or regulations applicable to such affiliate or subsidiary. Notwithstanding anything to the contrary in this Agreement, email will be considered adequate notification for the purposes of this Section 12.

12.3 **Suspension**. Without limiting the foregoing, the parties agree that Payment Services involve credit risk to ADP. Payment Services may be suspended by ADP (A) immediately if: (i) Client has failed to remit sufficient, good and available funds within the deadline and via the method of delivery agreed upon as it relates to the applicable Payment Services; or (ii) Client breaches any rules promulgated by NACHA as it relates to ADP conducting electronic payment transactions on behalf of Client, and (B) with 24 hour notice if: (i) a bank notifies ADP that it is no longer willing to originate debits from Client's

account(s) or credits for Client's behalf for any reason or (ii) the authorization to debit Client's account is terminated or ADP reasonably believes that there is or has been fraudulent activity on the account. If the Payment Services are terminated or suspended pursuant to Sections 12.2 or 12.3, Client acknowledges that ADP shall be entitled to allocate any funds in ADP's possession that have been previously remitted or otherwise made available by Client to ADP relative to the Payment Services in such priorities as ADP may determine appropriate, including reimbursing ADP for payments made by ADP on Client's behalf to a third party. If the Payment Services are terminated by ADP, Client understands that it will (x) immediately become solely responsible for all of Client's third party payment obligations covered by the Payment Services then or thereafter due (including, without limitation, for ADP Employment Tax Services any and all penalties and interest accruing after the date of such termination, other than penalties and interest for which ADP is responsible under Section 7.3.7), and (y) reimburse ADP for all payments properly made by ADP on behalf of Client to any payee, which have not been paid or reimbursed by Client. If the Payment Services remain suspended for thirty (30) days, the Payment Services will be terminated on the 31st day following suspension.

12.4 **Post Termination**. At any time prior to the actual termination date, Client may download Client's information or reports available to it in conjunction with all of the Services provided to Client by ADP. Upon termination of this Agreement, Client may order from ADP any data extraction offered by ADP, at the then prevailing hourly time and materials rate.

13 **Reserved.**

14 **Additional Terms**. In addition to the terms set forth in any subsequent Annexes attached hereto, the following terms shall apply.
14.1 **ESS & MSS Technology.** Employee self-service (ESS) and Manager self-service (MSS) functionality provides all Client Users (practitioners, managers and employees) 24x7 online access to ADP Application Programs. The following additional terms apply to the ESS & MSS Technology:
14.1.1 Client acknowledges that Client's employees or participants may input information into the self-service portions of the ADP Application Programs. ADP shall have no responsibility to verify, nor does ADP review the accuracy or completeness of the information provided by Client's employees or participants to ADP using any self-service features. ADP shall be entitled to rely upon such information in the performance of the Services under this Agreement as if such information was provided to ADP by Client directly.
14.2 **ADP Marketplace**. Enable Client to build applications and/or purchase available applications via online store. Provide access to certain Client data stored in ADP systems via industry-standard Application Programming Interfaces (APIs). The following additional terms apply to the ADP Marketplace (applies only if Client accesses ADP Marketplace Services):
14.2.1 **Transmitting Information to Third Parties.** In the event that Client elects to use an API to provide any Client Content or employee or plan participant information to any third party, Client represents that it has acquired any consents or provided any notices required to transfer such content or information and that such transfer does not violate any applicable international, federal, state, or local laws and/or regulations. ADP shall not be responsible for any services or data provided by any such third party.
14.2.2 **Use of the ADP APIs.** Client will use the ADP APIs to access Client's information only. Client may not use any robot, spider, or other automated process to scrape, crawl, or index the ADP Marketplace and will integrate Client's application with the ADP Marketplace only through documented APIs expressly made available by ADP. Client also agrees that Client will not (a) use the ADP Marketplace or any ADP API to transmit spam or other unsolicited email; (b) take any action that may impose an unreasonable or disproportionately large load on the ADP infrastructure, as determined by ADP; or (c) use the ADP APIs or the ADP Marketplace in any way that threatens the integrity, performance or reliability of the ADP Marketplace, Services or ADP infrastructure. ADP may limit the number of requests that Client can make to the ADP API gateway to protect ADP's system or to enforce reasonable limits on Client's use of the ADP APIs. Specific throttling limits may be imposed and modified from time to time by ADP.

15 **Miscellaneous**
15.1 **Amendment**. This Agreement may not be modified, supplemented or amended, except by a writing signed by the authorized representatives of ADP and Client.
15.2 **Assignment**. Neither this Agreement, nor any of the rights or obligations under this Agreement, may be assigned by any party without the prior written consent of the other party, such consent not to be unreasonably withheld. However, Client may assign any or all of its rights and obligations to any other Client Group member and ADP may assign any or all of its rights and obligations to any Affiliate of ADP, provided that any such assignment shall not release the assigning party from its obligations under this Agreement. This Agreement is binding upon and inures to the benefit of the parties hereto and their respective successors and permitted assigns.
15.3 **Additional Documentation**. In order for ADP to perform the Services, it may be necessary for Client to execute and deliver additional documents (including reporting agent authorization, client account agreement, limited powers of attorney, etc.) and Client agrees to execute and deliver such additional documents.
15.4 **Subcontracting**. Notwithstanding Section 15.2, ADP reserves the right to subcontract any or all of the Services, provided that ADP remains fully responsible under this Agreement for the performance of any such subcontractor. For the avoidance of doubt, third parties used by ADP to provide delivery or courier services, including the postal service in any country or any third party courier service, and banking institutions, are not considered subcontractors of ADP.
15.5 **Entire Agreement**. This Agreement constitutes the entire agreement and understanding between ADP and Client with respect to its subject matter and merges and supersedes all prior discussions, agreements and understandings of every kind and nature between the parties. No party will be bound by any representation, warranty, covenant, term or condition

other than as expressly stated in this Agreement. Except where the parties expressly state otherwise in a relevant exhibit, annex, appendix or schedule, in case of conflict or inconsistency between this Annex A and any such exhibit, annex, appendix or schedule, this Annex A will prevail and control. Purchase orders or statements of work submitted to ADP by Client will be for Client's internal administrative purposes only and the terms and conditions contained in any purchase order or statements of work will have no force and effect and will not amend or modify this Agreement.

15.6   **No Third Party Beneficiaries**. Except as expressly provided herein or in an applicable exhibit, annex, appendix or schedule, nothing in this Agreement creates, or will be deemed to create, third party beneficiaries of or under this Agreement. Client agrees that ADP's obligations in this Agreement are to Client only, and ADP has no obligation to any third party (including, without limitation, Client's personnel, directors, officers, employees, Users and any administrative authorities).

15.7   **Force Majeure**. Any party to this Agreement will be excused from performance of its obligations under this Agreement, except for Client's obligation to pay the fees to ADP pursuant to Section 11, for any period of time that the party is prevented from performing its obligations under this Agreement due to an act of God, war, earthquake, civil disobedience, court order, labor disputes or disturbances, governmental regulations, communication or utility failures or other cause beyond the party's reasonable control. Such non-performance will not constitute grounds for breach.

15.8   **Waiver**. The failure by any party to this Agreement to insist upon strict performance of any provision of this Agreement will not constitute a waiver of that provision. The waiver of any provision of this Agreement shall only be effective if made in writing signed by the authorized representatives of ADP and Client and shall not operate or be construed to waive any future omission or breach of, or compliance with, any other provision of this Agreement.

15.9   **Headings**. The headings used in this Agreement are for reference only and do not define, limit, or otherwise affect the meaning of any provisions hereof.

15.10 **Severability**. If any provision of this Agreement is finally determined to be invalid, illegal or unenforceable by a court of competent jurisdiction, the validity, legality or enforceability of the remainder of this Agreement will not in any way be affected or impaired and such court shall have the authority to modify such invalid, illegal or unenforceable provision to the extent necessary to render such provision valid, legal or enforceable, preserving the intent of the parties to the furthest extent permissible.

15.11 **Relationship of the Parties**. The performance by ADP of its duties and obligations under this Agreement will be that of an independent contractor and nothing contained in this Agreement will create, construe or imply an agency, joint venture, partnership or fiduciary relationship of any kind between ADP and Client. None of ADP's employees, agents or subcontractors will be considered employees, agents or subcontractors of Client. Unless expressly stated in this Agreement, none of ADP, its employees, agents or its subcontractors may enter into contracts on behalf of, bind, or otherwise obligate Client in any manner whatsoever.

15.12 **Governing Law**. This Agreement is governed by the laws of the State of New York without giving effect to its conflict of law provisions.

15.13 **Jurisdiction**. Any disputes that may arise between ADP and Client regarding the performance or interpretation of this Agreement shall be subject to the exclusive jurisdiction of the state and federal courts of New York, New York. The parties hereby irrevocably consent to the exclusive jurisdiction of the state and federal courts of New York, New York and waive any claim that any proceedings brought in such courts have been brought in an inconvenient forum. THE PARTIES HEREBY IRREVOCABLY WAIVE THEIR RIGHT TO TRIAL BY JURY.

15.14 **Counterparts**. This Agreement may be signed in two or more counterparts by original, .pdf (or similar format for scanned copies of documents) or facsimile signature, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

15.15 **Notices**. All notices required to be sent or given under this Agreement will be sent in writing and will be deemed duly given and effective (i) immediately if delivered in person, or (ii) upon confirmation of signature recording delivery, if sent via an internationally recognized overnight courier service with signature notification requested to Client at the address indicated on the signature page hereof and to ADP at 15 Waterview Boulevard, Parsippany, New Jersey 07054, Attention: Legal Department or to any other address a party may identify in writing from time to time. A copy (which shall not constitute notice) of all such notices shall be sent to ADP at One ADP Boulevard, MS 425, Roseland, New Jersey 07068, Attention: General Counsel and to Client at the address indicated on the cover page hereof.

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

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

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

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

   1.3 **Print and Online Statement Services.** Print and distribution of payroll checks, pay statements, and/or year-end statements, as well as online posting of pay statements and/or year-end statements.

   1.4 **Wage Garnishment Payment Services.** Garnishment payment processing and disbursement of payments to appropriate payees as directed by client.

2 **Billing**. Payroll, Employment Tax & Wage Payment Services and any other Services bundled into the pricing for such services are billed immediately following Client's first payroll processing. The billing count is based on the number of pays submitted during each payroll processing period, therefore total billing may fluctuate.

3 **ADP Wage Payment Services**. The following additional terms and conditions apply to the ADP Wage Payment Services:

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

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

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

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

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

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

   3.7 **Full Service Direct Deposit (FSDD)**. Prior to the first credit to the account of any employee or other individual under FSDD services, Client shall obtain and retain a signed authorization from such employee or individual authorizing the initiation of credits to such party's account and debits of such account to recover funds credited to such account in error.

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

   4.1 **Important Tax Information (IRS Disclosure).** Notwithstanding Client's engagement of ADP to provide the ADP Employment Tax Services in the United States, please be aware that Client remains responsible for the timely filing of payroll tax returns and the timely payment of payroll taxes for its employees. The Internal Revenue Service recommends that employers enroll in the U.S. Treasury Department's Electronic Federal Tax Payment System (EFTPS) to monitor their accounts and ensure that timely tax payments are being made for them, and that online enrollment in EFTPS is available at www.eftps.gov; an enrollment form may also be obtained by calling (800) 555-4477; that state tax authorities generally offer similar means to verify tax payments; and that Client may contact appropriate state offices directly for details

4.2 **State Unemployment Insurance Management.** Subject to Section 15.7 of Annex A, Client's compliance with its obligations in Sections 4.2.1 and 4..2.2 herein, and any delays caused by third parties (e.g., postal service, agency system and broker delays) and events beyond ADP's reasonable control, ADP will deliver the State Unemployment Insurance Management Services ("**SUI Management Services**") within the time periods established by the relevant unemployment compensation agencies.

    4.2.1 **Provision of Information; Contesting Claims**. Client will on an ongoing basis provide ADP and not prevent ADP from furnishing all information necessary for ADP to perform the SUI Management Services within the timeframes established or specified by ADP. The foregoing information includes without limitation the claimants' names, relevant dates, wage and separation information, state-specific required information, and other documentation to support responses to unemployment compensation agencies.

    4.2.2 **Transfer of Data**. Client may transfer the information described in Section A to ADP via: (i) on-line connection between ADP and Client's computer system, or (ii) inbound data transmissions from Client to ADP. Client will provide the data using mutually acceptable communications protocols and delivery methods. Client will promptly notify ADP in writing if Client wishes to modify the communication protocol or delivery method.

    4.2.3 Client acknowledges that ADP is not providing storage or record keeping of Client records as part of the SUI Management Services, and that if the SUI Management Services are terminated, ADP may, in conformity with Section 4 of Annex A, dispose of all such records. If the SUI Management Services are terminated, any access Client has to ADP websites containing Client's data will expire and Client will be responsible for downloading and gathering all relevant data prior to expiration of any such access that may have been granted.

1   **ADP Time & Attendance Services**. ADP will provide Client with those time & attendance services delivered via ADP Workforce Now including ADP Workforce Now Essential Time or ADP Workforce Now Enhanced Time ("**ADP Time & Attendance Services**"). For the hosted the ADP Workforce Now Enhanced Time product only, additional license terms are available at www.adp.com/tlmlicenseterms. ADP Workforce Now Enhanced Time and ADP Workforce Now Essential Time products are available for use in a limited number of countries outside the United States, although certain restrictions and requirements may apply.

2   **Billing for ADP Time & Attendance Services**. Billing for ADP Time & Attendance Services will begin on the date such Services are available for use by Client in a production environment.

3   **Time & Attendance Hardware**. If ADP agrees to provide Client with the data collection devices (e.g. Timeclock, HandPunch, etc.) (the "Time & Attendance Hardware") as described in the Sales Order, the following terms will apply:

3.1   If Client procures Time & Attendance Hardware, Client shall provide and maintain an installation environment (including all power, wiring and cabling required for installation) as specified in the manufacturer's product documentation and other written instructions provided to Client by ADP.

3.2   Regarding Time & Attendance Hardware provided on a subscription basis only, Client shall not make any alterations or attach any devices thereto that are not provided by ADP, nor shall Client remove same from the place of original installation without ADP's prior consent. All right and title in the Time & Attendance Hardware procured on a subscription basis is, and at all times shall remain, that of ADP and a separate item of personal property of ADP, notwithstanding its attachment to other items or real property, and promptly upon termination of the ADP Time & Attendance Services, for any reason whatsoever, Client shall, at its expense, return such Time & Attendance Hardware in good condition, in accordance with ADP's instructions, normal wear and tear excepted. If such Time & Attendance Hardware is not promptly returned, Client agrees to purchase same at fair market value. Repairs and replacements required as a result of any of the following shall not be included in any maintenance services and shall be charged at ADP's then current rates: (i) damage, defects, or malfunctions resulting from misuse, accident, neglect, tampering, unusual physical, or electrical stress, or causes other than normal or intended use; (ii) failure of Client to provide and maintain a suitable installation environment; (iii) any alterations made to or any devices not provided by ADP attached to the Time & Attendance Hardware; and (iv) malfunctions resulting from use of badges or supplies not approved by ADP.

3.3   **Maintenance Fees**. Maintenance services for the Time & Attendance Hardware apply automatically to Time & Attendance Hardware obtained under the subscription option (and any charges therefore are already included in the monthly time and attendance subscription fees). The costs for maintenance services for Time & Attendance Hardware under the purchase option are not included in the purchase price for such equipment; a separate annual maintenance fee applies. Client, under the purchase option, may terminate its receipt of maintenance services by providing written notice to ADP no less than thirty (30) days prior to the end of the then current annual coverage period. ADP is not required to rebate to Client any maintenance fees relating to a current or prior coverage period. (NOTE: If Client selects the purchase option but opts not to receive (or terminates) maintenance services hereunder by executing a waiver of maintenance services, any such services provided by ADP at Client's request will be subject to ADP's then current charges for such services.) No Time & Attendance Hardware maintenance is done at the Client site. Client shall bear all delivery/shipping costs and all risk of loss during shipment/delivery of Time & Attendance Hardware relating to maintenance services.

3.4   **Maintenance Services**. ADP will maintain the Timeclock Equipment to be free from defects in material and workmanship as follows: Any parts found to be defective (except as specifically excluded below) shall be replaced or repaired, at ADP's or its designee's option, without charge for parts or labor, provided that the Time & Attendance Hardware has been properly installed and maintained by Client and provided that such equipment has been used in accordance with this Agreement or other accompanying documentation including, but not limited to, Client's Sales Order provided by ADP or its designee and has not been subject to abuse or tampering.

3.5   **Biometrics.**

     3.5.1.   **Definitions**.

         3.5.1.1.   **"Biometric Data"** includes the information collected by timeclocks and software that use finger and/or hand scan technology, which potentially may include Biometric Identifiers and Biometric Information.

         3.5.1.2.   **"Biometric Identifier"** means a retina or iris scan, fingerprint, voiceprint, or scan of hand or face geometry.

         3.5.1.3.   **"Biometric Information"** means any information, regardless of how it is captured, converted, stored, or shared, based on an individual's biometric identifier used to identify an individual.

         3.5.1.4.   **"Biometric Services"** means services provided by ADP to Client via the use of timeclocks and software in connection with ADP's provision of Time & Attendance Services, to the extent such timeclocks or software collect, store or use Biometric Data.

         3.5.1.5.   **"Biometric User"** means Client's employees or independent contractors who are requested or required by Client to use Biometric Services to record their attendance, hours worked or other work-related data.

     3.5.2.   **Additional Terms.** Biometric Services are optional. In certain jurisdictions, there are laws and regulations that govern the collection, use, and retention of biometric information, which potentially may apply to Client's use of Biometric Services. To the extent Client elects to use Biometric Services, Client agrees to comply with all such laws and regulations in accordance with this Agreement and Section 3.2 of the Annex A. In the event Client is unwilling to comply with laws and regulations relating to Biometric Services, Client will be able to continue to use Time & Attendance Services without Biometric Services. The following terms and conditions apply to Biometric Services to the extent Biometric Services are part of the scope of Services:

3.5.2.1. **Requirements for Receipt of Biometric Services.** Before any Client or Biometric User is permitted to use any Biometric Services in a jurisdiction where laws and regulations potentially govern such use, Client will comply with the following requirements, in addition to any other requirements imposed by potentially applicable law (to the extent there is a conflict between the requirements below and the requirements of potentially applicable law, Client will comply with potentially applicable law):

3.5.2.2. **Client Biometric Information Policy**. Client will implement, distribute and make available to the public, a written policy establishing Client's policy with respect to the use of Biometric Data. Such policy will include:

    3.5.2.2.1. a retention schedule and guidelines for permanently destroying Biometric Identifiers and Biometric Information;

    3.5.2.2.2. a commitment to destroy Biometric Data when the initial purpose for collecting or obtaining such identifiers or information has been satisfied or within 3 years of the individual's last interaction with Client, whichever occurs first; and

    3.5.2.2.3. any additional requirements as required by applicable law.

3.5.2.3. **Biometric User Notice and Consent**. Client will provide notice and procure and retain appropriate consents or releases from Biometric Users in the manner and to extent the same are required by applicable law, including:

    3.5.2.3.1. notifying Biometric Users in writing that Client, its vendors, and/or the licensor of Client's time and attendance software are collecting, capturing, or otherwise obtaining Biometric Users' Biometric Data, and that Client is providing such Biometric Data to its vendors and the licensor of Client's time and attendance software; such notice will specify the purpose and length of time for which Biometric User's Biometric Data is being collected, stored, and used;

    3.5.2.3.2. obtaining a written release or consent from Biometric Users (or their legally authorized representative) authorizing Client, its vendors, and licensor of Client's time and attendance software to collect, store, and use the individual's Biometric Data for the specific purpose disclosed by Client, and authorizing Client to provide such Biometric Data to its vendors and the licensor of Client's time and attendance software; and

    3.5.2.3.3. if requested by ADP, providing to ADP copies of the required consents or releases collected and retained by Client, and/or certifying to ADP that such consents or releases have been obtained.

3.5.2.4. **Retention and Purging of Biometric Data.** Client will work with ADP to ensure that Biometric Data is retained and purged in accordance with applicable law. To the extent necessary for the purging or deletion of such Biometric Data, Client agrees to provide timely notification to ADP of the termination of the employment, or the satisfaction of the purpose for which Biometric Data was collected with respect to any given Biometric User. ADP is not responsible for Client's failure to provide timely notification of the termination of the employment, or the satisfaction of the purpose for which Biometric Data was collected with respect to any given Biometric User.

3.5.2.5. **Storage of Biometric Data in Timeclocks.** Client agrees that it shall use a reasonable standard of care consistent with potentially applicable law to store, transmit and protect from disclosure any paper or electronic biometric data collected in timeclocks. Such storage, transmission, and protection from disclosure shall be performed in a manner that is the same as or more protective than the manner in which Client stores, transmits and protects from disclosure other confidential and sensitive information, including personal information that can be used to uniquely identify an individual or an individual's account or property, such as genetic markers, genetic testing information, account numbers, PINs, driver's license numbers and social security numbers.

3.5.3. **Third Party Beneficiary.** Notwithstanding anything to the contrary in the Agreement, Client agrees that ADP and licensor of any applicable Biometric Services (and their respective successors and assigns) are third party beneficiaries of this Agreement solely as it relates to Biometric Services.

3.5.4. **Additional Termination Provisions for Biometric Services.** If ADP determines that Client has failed to comply with any potentially applicable laws and regulations applicable to the Biometric Services, ADP may, in its sole discretion and upon notice to Client, immediately suspend or terminate the Biometric Services.

1 **ADP HCM Services.** Only those Services that have been purchased by Client (as listed on a Sales Order) will be applicable.

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

  1.2 **Benefit Services.** Benefit-related services made up of the following:

  1.2.1. Health and Benefits Services. Technology to facilitate the administration of employee benefits, including applying eligibility rules, facilitating online enrollment and changes and calculating payroll deductions within a unified system, as well as providing data to carriers through ADP carrier connection services.

  1.3 **Business Intelligence.** Provide tools to analyze and understand data.

  1.3.1. Analytics. Enables an employer to gain insight from data for key Human Capital Management (HCM) metrics.

  1.4 **Global Data Storage.** Ability to house global employee HR data (personal, employment, and job data) within HR system of record.

  1.5 **Human Resources Administration Services.** Administration of human resource functions using a unified system to process and audit employee lifecycle events, provide compliance tracking and reporting, including new hire reporting, and automate notification and approval processes via self-service/direct access, and also including:

  1.6 **Talent Acquisition Solutions.** Talent acquisition solutions made up of the following:

  1.6.1. ADP Recruitment Management Services. Talent recruitment management technology, including talent acquisition and on-boarding for exempt and non-exempt workforce.

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

  1.7.1 Performance Management. Solutions and tools to facilitate the performance management process, including goal alignment, and employee engagement.

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

2 **Billing for HR, Benefits & Talent Services**. Billing for any HR, Benefits & Talent Services will begin on the date such Services are available for use by the client in a production environment. The billing count for any HR, Benefits or Talent Services when the pricing for such Services is not bundled with Client's pricing for ADP Payroll Services is based on all unique lives in the database paid in the previous calendar month. If pricing for HR, Benefits & Talent Services are bundled with ADP Payroll Services, then billing for such Services shall commence in accordance with the terms of Section 2 of Annex B.

3 **ADP Recruitment Management Services.** The following additional terms and conditions apply to the ADP Recruitment Management Services (applies only if Client has purchased ADP Recruitment Management Services):

  3.1 **Hiring Practices.** Client shall be exclusively responsible for all hiring practices, including, but not limited to, complying with all employment laws, including, if applicable, the monitoring, analysis and reporting of any adverse impact that may result from any specification or criteria that Client uses to rank candidates in the ADP Recruitment Management Services Application Programs.

  3.2 **Vendors.** Client shall be exclusively responsible all access and use of the ADP Recruitment Management Services by its vendors and such vendors' compliance with the terms of this Agreement.

4 **Benefit Services.** The following additional terms and conditions apply to the Benefit Services (applies only if Client has purchased Benefits Services):

  4.1 **Carrier Connections.** ADP will, at Client's request, and for an additional charges as set-out in the applicable Sales Order, provide Client with the following Carrier Connections services:

  4.1.1. ADP will electronically transmit employee data, including employee benefits enrollment data, to Client's carriers or other third parties authorized by Client, and Client authorizes ADP to provide such transmission on Client's behalf. Commencement of carrier connection service is subject to Client completing the configuration setup of Client Content and the format for such transmission to the designated carriers.

  4.1.2. ADP's ability to transmit Client Content data is subject to the provision by Client's designated carriers of a current functional interface between ADP's systems and the designated carriers' systems. ADP will not be obligated to transmit Client's data to designated carriers if at any time Client's designated carriers fail to provide the proper interface as described above. Client is responsible for promptly reviewing all records of carrier transmissions and other reports prepared by ADP for validity and accuracy according to Client's records, and Client will notify ADP of any discrepancies promptly after receipt thereof. In the event of an error or omission in carrier connection services caused by ADP, ADP will correct such error or omission, provided that Client promptly advises ADP of such error or omission.

5 **Human Resource Administration Services and Talent Management Services.** The following additional terms and conditions apply to the Human Resource Administration Services and/or Talent Management Services (applies only if Client has purchased Human Resource Administration Services and/or Talent Management Services):

  5.1 **Access and Use.** To the extent that Client intends on using the Human Resource Administration Services and/or Talent Management Services for its workforce outside of the United States, Client acknowledges that it is authorized to use the Human Resource Administration Services and/or Talent Management Services only in those countries listed in the "ADP Workforce Now Suitable Geography List" as provided to Client from time to time upon request.

  5.2 **Residents Outside the United States.** To the extent that Client uses the Human Resource Administration Services and/or the Talent Management Services to collect Personal Information about individuals resident outside the United States, Client represents and warrants: (i) the processing of that Personal Information, including the transfer itself, has been and will continue to be carried out in accordance with the relevant provisions of the applicable data protection and privacy laws; (ii) its instructions to ADP regarding the processing to be performed shall be in accordance with the applicable data protection laws; (iii) it has given the data subjects appropriate notices, and obtained any required consents; (iv) if it implements the Human

Resources Administration Services and/or the Talent Management Services to collect any sensitive data elements (or special categories of data), Client shall comply with any additional requirements for the processing of these data elements; and (v) it shall be responsible for respecting all individual rights of access, correction or deletion and for responding to any individual or regulatory inquiries relating to such Personal Information.

6 **Essential ACA Services.** ADP will provide the Essential ACA solution specified in the Sales Order (and any applicable service specification) (collectively, the "Essential ACA") to Client in accordance with the terms of this Agreement. The following terms apply if Client receives Essential ACA with Benefits Services.

6.1 Essential ACA a technology and software solution to assist Client in managing compliance needs related to the Affordable Care Act (ACA), including eligibility calculations and affordability determinations, preparation and electronic filing of Forms 1094-C and 1095-C forms, access to evidence of benefit offering information and benefit offering audit reports. Client must use ADP Workforce Now payroll, HR and benefits services in order to purchase and implement Essential ACA. For the avoidance of doubt, all Forms filed by ADP with the IRS on behalf of Client will be filed electronically; any Forms sent to Client for its employees by ADP shall be sent in paper form, and, if Client has ADP's iPay functionality, ADP will also make Forms accessible to Client employees electronically. It will then be Client's responsibility to distribute the Forms directly to its employees.

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

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

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

7 **Onboarding Services (including ADP Workforce Now EI-9 Services).** The following additional terms and conditions apply to the ADP Workforce Now EI-9 Services ("WFN EI-9 Services") that are part of ADP Workforce Now Onboarding Services.

7.1 **Use of Services**. In order to receive the WFN EI-9 Services, Client shall, and shall cause the members of the Client Group, to do the following:

7.1.1 Review the U.S. Citizenship and Immigration Services ("USCIS") Form I-9, which is the employment eligibility verification form issued by the U.S. Department of Homeland Security (the "DHS"), including instructions in the form and the guidelines in the current USCIS Handbook for Employers: Instructions for Completing Form I-9 (M-274) (the "I-9 Handbook"), each of which is available on the USCIS website, currently located at http://www.uscis.gov/i-9central. Client certifies that it has reviewed the current USCIS Form I-9 and the I-9 Handbook and that it agrees to comply with the applicable policy and procedures set forth therein, and any future new or amended policies or procedures, as required by law. Client will ensure availability of the most recent version of the USCIS Form I-9 and the I-9 Handbook to all employees authorized to complete the USCIS Form I-9 on behalf of Client and/or its Affiliates.

7.1.2 Client is responsible for reviewing reports available to Client on the WFN EI-9 Services and for resolving (or causing the applicable employee to take action to resolve) missing or incomplete Forms I-9. This includes communicating with the employee in question and the submission or resubmission of the missing or incomplete Form I-9.

7.1.3 ADP executed a Memorandum of Understanding with the UDHS as the E-Verify employer agent. E-Verify is the DHS's employment eligibility verification program which allows participating employers to electronically verify the employment eligibility of each newly hired employee and/or employee assigned to a covered federal contract. The following is required as it relates to the use of E-Verify through ADP and will apply only to the extent Client is using E-Verify through ADP:

7.1.3.1 Notify ADP of (i) the location(s) where Client elects to enroll; and (ii) whether the employer is a federal contractor or a federal, state or local government organization.

7.1.3.2 Execute a Memorandum of Understanding with the DHS and ADP (as its E-Verify employer agent), and comply with the terms and conditions set forth therein.

7.1.3.3 Review and comply with the policy and procedures contained in the E-Verify User Manual for Employers, and any superseding policy and procedures, available to Client on the WFN EI-9 Service.

7.1.3.4 To the extent the Client elects to have more than one company location participate in E-Verify, ensure all authorized users in each location have complied with all requirements of Section 7.1.2.

7.1.3.5 Ensure all of Client's authorized users (i) complete the mandated E-Verify training course and any applicable update courses administered by ADP and (ii) pass a knowledge test with the required score.

7.1.3.6 Immediately notify ADP of any updates/changes to its E-Verify employer status (e.g., Client becomes a federal contractor or Client ceases being a federal contractor).

7.2 **Form I-9 Retention**. During the term of the Agreement, ADP will store electronic copies of Forms I-9 in the WFN EI-9 Services for a minimum of three years from the employee's hire date or until one year after the employee ceases to be employed by Client (or the applicable Affiliate), whichever is later (or as otherwise required by changes to federal regulations that come into effect hereafter). Upon termination or expiration of the Agreement, ADP shall use commercially reasonable methods to transfer all electronically stored Forms I-9 to Client in accordance with ADP's current security policies. Upon termination of the WFN EI-9 Services, Client shall be solely responsible for storage of copies of Forms I-9.

7.3 **Form I-9 Section 3**. For the avoidance of doubt, Client understands and agrees that the WFN EI-9 Services do not support Form I-9 Section 3 for Reverifications and Rehires; if needed, Client must complete Section 3 outside of WFN EI-9 Services.

ADP shall provide to Client certain professional services for the conversion and import of historical hours data as indicated on the Sales Order (the "ACA Professional Services"). As a condition to receiving the ACA Professional Services, Client will be subject to the additional terms and conditions of this Annex X.

1   **ADP Resources**. ADP shall select resources including subcontractors that, in ADP's reasonable business judgment, are qualified to perform the ACA Professional Services, and in the case of subcontractors have entered into an appropriate written agreement with ADP (each an "ADP Resource"). The ADP Resources are and shall be, notwithstanding anything to the contrary contained herein, ADP's employees or contractors, and shall not for any purpose be considered Client's employees. ADP or its subcontractor shall be solely responsible for the payment of the salaries of such ADP resources and all matters relating thereto (including the withholding and/or payment of all federal, state and local income and other payroll taxes), worker's compensation, disability benefits, medical and other insurance-related benefits and all such additional legal requirements applicable to employees of ADP or such subcontractor.

2   **Fees and Expenses**. Client shall pay ADP for the ACA Professional Services at the rates specified in the Sales Order or Statement of Work as applicable.

3   **Billing**: ADP shall invoice Client for all ACA Professional Services fees upon the completion of the ACA Professional Services, unless such ACA Professional Services will be provided over a time period which exceeds thirty (30) days, in which case ADP reserves the right to invoice Client on a monthly basis for such Services rendered. ADP shall invoice Client in the same manner for any associated expenses incurred by ADP Resources.

4   **Limitations of Liability.** The provisions of this paragraph supplement the limitation of liability provisions contained in Section 6 of Annex A and shall govern with respect to the ACA Professional Services. **Notwithstanding anything to the contrary herein, ADP's sole liability to Client hereunder for monetary damages shall not exceed the aggregate amount of fees paid to ADP hereunder for the ACA Professional Services.**

5   **Completion of ACA Professional Services.** Upon completion of the ACA Professional Services, Client will immediately notify ADP if the ACA Professional Services and deliverables outlined in the Sales Order have not been satisfactorily delivered. The ACA Professional Services will be deemed accepted by Client if no response has been received within five (5) days of the date of completion of the ACA Professional Services.

6   **Additional Termination Provisions.** The provisions of this paragraph supplement the termination provisions contained in Section 8 of Annex A and shall govern with respect to the ACA Professional Services. Either party can terminate ACA Professional Services at any time for any reason by providing at least ten (10) days' advance written notification to the other party. Upon termination of this Annex by either party for any reason, all fees and expenses for the ACA Professional Services incurred by Client prior to the termination date shall become immediately due and payable.

ADP, LLC
GUARANTEED
SIXTY MONTH
PRICE AGREEMENT

Client Information:

Client Name:	Lake County Forest Preserves District	Effective Date:	10/1/2018
Service Center:	0034		
Parent Company Code:	To be assigned Customer #: To be assigned	Expiration Date:	10/1/2023
Requested By:	Barrett Graessle - Sales		
Related Company Codes:			

Contact Information:

Contact:	Christine Miller	Phone:	(847) 968-3218	Address:	1899 West Winchester Road
City:	Libertyville	State: IL	Zip: 60048	Email:	cmiller@LCFPD.org

ADP, LLC ("ADP") is pleased to provide **Lake County Forest Preserves District** ("Client") with a guaranteed price agreement (the "Price Agreement"), which shall govern any increases in fees to the Services (as defined in section 1 below) purchased by Client for the next __sixty__ months, subject to the terms and conditions set forth in this Price Agreement. This Price Agreement encompasses all listed codes and any future codes that may be added under the above listed parent code. In consideration of the mutual agreements set forth below, ADP and Client agree as follows:

1) Price Increase: For the next __sixty__ month period commencing with the effective date of this Price Agreement as __10/01/2018__, ADP will increase prices per the schedule below for the **Payroll, HR and TLM** processing services (the "Services") Client is receiving or shall receive as of the effective date.

Year	Guaranteed Price Period	Increase %	Increase Date
1	10/01/2018 to 09/30/2019	No Increase	10/01/2018
2	10/01/2019 to 09/30/2020	No Increase	10/01/2019
3	10/01/2020 to 09/30/2021	No Increase	10/01/2020
4	10/01/2021 to 09/30/2022	No Increase	10/01/2021
5	10/01/2022 to 10/01/2023	1.0%	10/01/2022

Items specifically excluded from this agreement are delivery, reverse wire fees, jurisdiction fees, year-end fees and maintenance fees. In the month following the completion of the guaranteed price period, Client's prices will be subject to the same price increases applied to its other clients of similar size and product utilization unless a renewal agreement is signed by both parties.

2) Guaranteed Term: As consideration for the __sixty__ month Price Agreement, Client agrees to purchase the Services for a minimum guaranteed term of __sixty__ months commencing with the effective date of this Price Agreement and thereafter Client's agreement to purchase the Services shall remain in effect until terminated by Client or ADP in accordance with the terms of the ADP Services Agreement (defined in Section 3 below).

3) Early Termination Fee: If Client terminates all Services without cause as provided in the ADP Major Accounts Agreement (or such equivalent ADP terms and conditions or agreement governing the provision and receipt of ADP Services including but not limited to any product specific terms set forth in such agreement) between ADP and Client (the "ADP Services Agreement") prior to the expiration date of this Price Agreement, Client agrees to pay ADP an early termination fee of __3 months__ of average monthly processing fees for the Services (based on the average monthly fees during the twelve-month period immediately preceding the date of termination (or a shorter period of time if monthly fees have been payable for less than twelve (12) months at the termination date)). If Client fails to pay the early termination fee, Client shall reimburse ADP for any expenses incurred, including interest and reasonable attorney fees, in collecting amounts due ADP hereunder. The early termination fee will be waived by ADP in the event there is a material breach by ADP of any material warranty, term, condition or covenant of the ADP Services Agreement and ADP fails to cure such breach within the timeframe provided in such ADP Services Agreement.

THE ADP SERVICES COVERED BY THIS AGREEMENT ARE PROVIDED IN ACCORDANCE WITH THE TERMS AND CONDITIONS SET FORTH IN THE AGREEMENT(S) BETWEEN CLIENT AND ADP COVERING THE SPECIFIC SERVICES. THIS AGREEMENT SUPPLEMENTS AND DOES NOT SUPERSEDE ANY OF THOSE TERMS AND CONDITIONS. THIS AGREEMENT IS NOT VALID UNLESS SIGNED BY BOTH PARTIES. IN THE EVENT CLIENT HAS AN EXISTING PRICE AGREEMENT IN PLACE, THIS AGREEMENT REPLACES ANY PRIOR PRICE AGREEMENT GOVERNING THE SAME SERVICES.

ADP, LLC	***Lake County Forest Preserves District***
Name:	Name:
Signature:	Signature:
Title: Financial Analyst	Title:
Date:	Date:

NOTE: THIS PRICE AGREEMENT IS VALID ONLY IF SIGNED BY BOTH PARTIES WITHIN 90 DAYS OF THE DATE OF CREATION. THE AGREEMENT MUST BE SIGNED BY 06/26/2018 IN ORDER TO BE VALID. FINANCE OR RELATIONSHIP MANAGEMENT IS AUTHORIZED TO EXECUTE THIS AGREEMENT ON BEHALF OF ADP.