

Schedule H – HRIS Terms and Conditions

The terms and conditions set forth in this NEOGOV Schedule H – HRIS Terms and Conditions and Annexes affixed hereto (collectively referred to as “Schedule H”) shall apply solely with respect to the HRIS Services (defined below) that Customer elects to receive and NEOGOV provides, and shall supplement the applicable NEOGOV Service Agreement (or if explicitly specified by the parties otherwise, such equivalent terms and conditions or agreement governing the provision and receipt of NEOGOV Services) between NEOGOV and Customer (the “Master Agreement”).

If any terms and conditions of this Schedule H directly conflict or are inconsistent with such Master Agreement, this Schedule H shall supersede such Master Agreement to the extent of such conflict or inconsistency. Schedule H, the Master Agreement, applicable Ordering Document, and all documents incorporated therein shall constitute the entire agreement between the Parties in regard to HRIS Services.

1. **General Terms; References; Definitions.** The following terms govern the use of the HRIS Services (the “HRIS General Terms and Conditions”). The HRIS General Terms and Conditions are generally applicable to all HRIS Services. Terms and conditions within each Annex of this Schedule H relate to specific HRIS Services selected by Customer and shall apply to the extent Customer elects to receive the HRIS Services governed by such Annex. If any provision within the HRIS General Terms and Conditions directly conflicts with a provision within any Annex herein, the Annex shall take precedence to the extent of the conflict solely with respect to the HRIS Services covered by such Annex. If any provision in any Annex directly conflicts with a provision of any other Annex, the provision in each Annex will govern, but solely with respect to the HRIS Services covered by such Annex. “HRIS Services” refers to the following SaaS Applications or any Add-Ons (defined below) or Professional Services related to such SaaS Applications: NEOGOV Core HR, NEOGOV Payroll, and NEOGOV Time and Attendance. A reference to “HRIS Services” within a given Annex shall solely reference the HRIS Services selected by Customer and covered by such Annex. Definitions not explicitly defined herein shall retain the meaning as prescribed in the Master Agreement or the Service Specifications.
2. **HRIS Service Provisioning.**
 - a) **Use of Services.** Customer agrees to the following regarding its use of HRIS Services: (i) Customer shall use HRIS Services in accordance with the instructions and reasonable policies established by NEOGOV from time to time and communicated to Customer, (ii) to the extent Customer elects to decline any HRIS Services, relies on its own provision of services, or delegates the performance of any service to a third party, Customer will be solely responsible, (iii) Customer shall be responsible for ensuring that Customer and its employees that access HRIS Services or use any HRIS Services to be provided hereunder comply with all the terms of this Schedule H and documents incorporated herein, (iv) Customer, and not NEOGOV, will remain solely responsible for all decisions affecting its employees and agents, other than, to the extent applicable, NEOGOV, (v) Customer will remain responsible for the manner in which it uses the HRIS Services, including the manner in which it interprets and acts upon any guidance or recommendation provided by NEOGOV, (vi) Customer understands and agrees that the HRIS Services are intended for use in the U.S. only for employees located in the U.S., and (vii) Customer will be responsible for the consequences of any instructions Customer may give to NEOGOV or NEOGOV Fulfillment Partners (defined below). All HRIS Services provided hereunder may be modified from time to time at NEOGOV’s sole discretion, provided, however, that any such modifications will not have a material adverse impact on any of the HRIS Services Customer is receiving.
 - b) **Password Protection.** Customer agrees to maintain the privacy of usernames and passwords associated with any HRIS Services. Customer is fully responsible for all activities that occur under Customer or Customer Personnel Accounts. Customer agrees to (a) immediately notify NEOGOV of any unauthorized use of Customer’s password or Account or any other breach of security, and (b) ensure that Customer exits from Customer’s Account at the end of each session. NEOGOV shall not be liable for any damages incurred by Customer or any third party arising from Customer’s failure to comply with this section or to comply with applicable laws, regulations, governmental rules [or guidance,] the National Automated Clearing House Association Operating Rules and Guidelines (“NACHA Rules”) or other applicable system rules or guidance (“Laws”). Customer agrees that NEOGOV may audit Customer’s compliance with this Agreement, the NACHA Rules and Laws at any time, upon five days prior notice to Customer. Customer also represents and warrants that the payment has been properly authorized in accordance with the Law, the authorization has not been revoked.
 - c) **Modification.** Customer will not write or modify interfaces or reports to any HRIS Services except as expressly authorized by NEOGOV. CUSTOMER WILL NOT RECOMPILE, DISASSEMBLE, REVERSE ENGINEER, OR MAKE OR DISTRIBUTE ANY OTHER FORM OF, OR ANY DERIVATIVE WORK FROM, NEOGOV HRIS SERVICES.
3. **Accuracy of Customer Information, Review of Data.** All HRIS Services provided hereunder will be based upon information provided to NEOGOV by Customer (including proof of federal, state and local tax identification). Upon receipt from NEOGOV, whether electronically or otherwise, or NEOGOV’s making such information available to Customer, Customer will promptly review within one week of the records or reports, as applicable, are made available to or provided by NEOGOV

to Customer all records and reports prepared by NEOGOV for validity and accuracy according to Customer's records and Customer agrees that it will promptly notify NEOGOV of any discrepancies (but in any case, before any distribution or reliance on any such records or reports) within two weeks of the date the records or reports, as applicable, are made available to or provided by NEOGOV to Customer.

4. **Compliance with Laws.** Customer acknowledges that the HRIS Services may assist Customer in providing information on applicable Laws and governmental regulations, and that Customer and its employees and agents will be solely responsible for: (i) compliance with all Laws affecting it; (ii) all NACHA and other system rules applicable to it; and (iii) any use Customer may make of HRIS Services.
5. **Implementation; Add-Ons; and Configuration Limitation.** Implementation of HRIS Services will proceed in accordance with the implementation schedule provided by NEOGOV. Customer is obligated to fill out the "Implementation Workbook" to facilitate the implementation process. During implementation, Customer shall elect optional add-on services that supplement the SaaS Applications (the "Add-On" Services). Customer shall have access to the HRIS Services during implementation. After completion of implementation, any subsequent changes Customer requests to the configuration of the HRIS Services will be at cost.
6. **Intellectual Property.** The right to use NEOGOV HRIS Services is granted to Customer for the sole purpose of utilizing HRIS Services as provided in this Agreement. All HRIS Services licensed to Customer hereunder are the licensed and/or owned property of NEOGOV and embody the proprietary trade secret technology of NEOGOV and/or its affiliated third-party providers (if any) and are protected by copyright laws, international copyright treaties, as well as other intellectual property laws. Customer receives no rights to any HRIS Services or any intellectual property of NEOGOV or its affiliated third-party providers, except as expressly stated herein.
7. **Nondisclosure and Privacy.**
 - a) **Confidentiality.** All Confidential Information disclosed hereunder will remain the exclusive and confidential property of the disclosing party. The receiving party will not disclose 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 affiliates, employees and authorized representatives with a need to know and will instruct them to keep such information confidential. Notwithstanding the foregoing, the receiving party may disclose Confidential Information of the disclosing party (i) to the extent necessary to comply with any law, rule, regulation or ruling applicable to it, (ii) as appropriate and with prior notice where practicable, to respond to any summons or subpoena or in connection with any litigation, and (iii) relating to a specific employee, to the extent such employee has consented to its release. Upon the request of the disclosing party, the receiving party will return or destroy all Confidential Information of the disclosing party that is in its possession. Notwithstanding the foregoing, NEOGOV may retain information as may be required by applicable law for regulatory purposes or in back-up files, provided that NEOGOV's confidentiality obligations hereunder continue to apply.
 - b) **Protection of Customer Files and Transmission of Data.** NEOGOV will employ commercially reasonable storage and reasonable precautions to prevent the loss of or alteration to Customer's data files in NEOGOV's possession, but NEOGOV does not undertake to guarantee against any such loss or alteration. NEOGOV is not, and will not be, Customer's official record keeper of source documentation. Customer will, to the extent it deems necessary, keep copies of all source documents of the Customer Data delivered to NEOGOV. In the event Customer requests NEOGOV provide any employee or plan participant information to any third party or to any non-U.S. location, Customer 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 Laws.
 - c) Customer agrees that NEOGOV may disclose certain Customer Data to its affiliated third parties to the extent necessary for NEOGOV to perform the services and to provide Customer and/or Customer's employees access to certain services.
8. **Disclaimer of Warranties.**
 - a) **NEOGOV Not Fiduciary Advisor.** Customer acknowledges that, in making HRIS Services available, NEOGOV is not acting as an investment advisor, broker-dealer, insurance agent, attorney or intermediary or a financial or benefit planner. NEOGOV is not providing any benefits or information related thereto.
 - b) **HRIS Services Do Not Constitute Legal or Other Advice.** CUSTOMER ACKNOWLEDGES AND AGREES THAT THE HRIS SERVICES PROVIDED HEREUNDER (INCLUDING, BUT NOT LIMITED TO, ANY AND ALL INFORMATION, MATERIALS, AND FORMS) ARE NOT INTENDED TO BE AND WILL NOT BE RELIED UPON BY CUSTOMER AS EITHER LEGAL, FINANCIAL, INSURANCE OR TAX ADVICE. TO THE EXTENT

CUSTOMER REQUIRES ANY SUCH ADVICE, CUSTOMER REPRESENTS THAT IT WILL SEEK SUCH ADVICE FROM QUALIFIED LEGAL, FINANCIAL, INSURANCE, ACCOUNTING OR OTHER PROFESSIONALS. CUSTOMER SHOULD REVIEW AND COMPLY WITH APPLICABLE LAW, INCLUDING BUT NOT LIMITED TO THE LAWS IN ALL JURISDICTIONS WHERE CUSTOMER OPERATES OR HAS EMPLOYEES, BENEFICIARIES, AGENTS, FORMER EMPLOYEES OR OTHER RECIPIENTS OF PAYMENTS, OR ANY PERSONALLY IDENTIFIABLE INFORMATION ON ANY INDIVIDUAL, AND CONSULT EXPERIENCED COUNSEL FOR LEGAL ADVICE.

- c) No Other Warranty. EXCEPT FOR THE EXPRESS WARRANTIES SET FORTH IN THIS SCHEDULE H, THE HRIS SERVICES AND ALL EQUIPMENT PROVIDED (IF ANY) ARE PROVIDED ON AN “AS IS” BASIS, AND CUSTOMER’S USE OF THE HRIS SERVICES IS AT ITS OWN RISK. NEOGOV DOES NOT MAKE, AND HEREBY DISCLAIMS, ANY AND ALL OTHER EXPRESS AND/OR IMPLIED WARRANTIES, INCLUDING, BUT NOT LIMITED TO, WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, NONINFRINGEMENT AND TITLE, FREEDOM FROM PROGRAM ERRORS, VIRUSES OR ANY OTHER MALICIOUS CODE WITH RESPECT TO THE HRIS SERVICES, ANY CUSTOM PROGRAMS CREATED BY NEOGOV OR ANY THIRD-PARTY SOFTWARE DELIVERED BY NEOGOV, AND ANY WARRANTIES ARISING FROM A COURSE OF DEALING, USAGE, OR TRADE PRACTICE. NEOGOV DOES NOT WARRANT THAT THE HRIS SERVICES WILL BE UNINTERRUPTED, ERROR-FREE, OR COMPLETELY SECURE, OR THAT ANY ERROR WILL BE CORRECTED. NEOGOV FURTHER DISCLAIM ANY WARRANTY THAT THE RESULTS OBTAINED THROUGH THE USE OF HRIS SERVICES, ANY CUSTOM PROGRAMS CREATED BY NEOGOV OR ANY THIRD-PARTY SOFTWARE DELIVERED BY NEOGOV WILL MEET CUSTOMER’S NEEDS.
- d) Disclaimer of Actions Caused by and/or Under the Control of Third Parties. NEOGOV DOES NOT AND CANNOT CONTROL THE FLOW OF DATA TO OR FROM THE HRIS SERVICES AND OTHER PORTIONS OF THE INTERNET. SUCH FLOW DEPENDS IN LARGE PART ON THE PERFORMANCE OF INTERNET SERVICES PROVIDED OR CONTROLLED BY THIRD PARTIES. AT TIMES, ACTIONS OR INACTIONS OF SUCH THIRD PARTIES CAN IMPAIR OR DISRUPT CUSTOMER’S CONNECTIONS TO THE INTERNET (OR PORTIONS THEREOF). ALTHOUGH NEOGOV WILL USE COMMERCIALY REASONABLE EFFORTS TO TAKE ALL ACTIONS IT DEEMS APPROPRIATE TO REMEDY AND AVOID SUCH EVENTS, NEOGOV CANNOT GUARANTEE THAT SUCH EVENTS WILL NOT OCCUR. ACCORDINGLY, NEOGOV DISCLAIMS ANY AND ALL LIABILITY RESULTING FROM OR RELATED TO SUCH EVENTS.

9. Limitation of Liability.

- a) Waiver. TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, IN NO EVENT SHALL EITHER PARTY HAVE ANY LIABILITY TO THE OTHER PARTY, OR TO ANY OTHER PERSON OR ENTITY, ARISING OUT OF OR RELATED TO THIS AGREEMENT, UNDER ANY CIRCUMSTANCE, CAUSE OF ACTION OR LEGAL OR EQUITABLE THEORY OF LIABILITY, OR DUE TO ANY EVENT WHATSOEVER, FOR ANY CONSEQUENTIAL, INDIRECT, INCIDENTAL, PUNITIVE, SPECIAL, OR EXEMPLARY DAMAGES OF ANY KIND, (INCLUDING, WITHOUT LIMITATION, ANY LOSS OF BUSINESS OPPORTUNITY OR PROFIT, CUSTOMER’S USE OR INABILITY TO USE THE SERVICES, LOSS OF GOODWILL, BUSINESS INTERRUPTION, OR LOSS OF INFORMATION).
- b) Maximum Liability. WITHOUT LIMITATION OF 9(A) OR ANY ADDITIONAL LIABILITY LIMITATIONS IN ANY ANNEX HERETO, EXCEPT FOR DAMAGES ARISING OUT OF LIABILITY WHICH CANNOT BE LAWFULLY EXCLUDED OR LIMITED, CUSTOMER’S OBLIGATIONS TO MAKE PAYMENT UNDER THIS AGREEMENT, LIABILITY FOR BREACH OF CONFIDENTIALITY, OR LIABILITY FOR INFRINGEMENT OR MISAPPROPRIATION OF INTELLECTUAL PROPERTY RIGHTS, THE AGGREGATE LIABILITY OF EITHER PARTY DURING ANY CALENDAR YEAR FOR ANY AND ALL CLAIMS AND DAMAGES OF ANY TYPE OR CHARACTER MADE BY THE OTHER PARTY, OR ANY THIRD PARTY, ARISING OUT OF OR RELATED TO THIS AGREEMENT, WHETHER ARISING OUT OF OR RELATED TO BREACH OF CONTRACT, TORT (INCLUDING NEGLIGENCE) OR OTHERWISE, WILL BE LIMITED TO THE LESSER OF (I) THE AMOUNT OF ACTUAL DAMAGES INCURRED BY SUCH PARTY OR (II) THE AMOUNTS PAID BY CUSTOMER DURING THE THREE (3) MONTHS IMMEDIATELY PRECEDING THE CLAIM FOR THE HRIS SERVICE THAT GAVE RISE TO SUCH CLAIM. NEOGOV WILL ISSUE CUSTOMER CREDIT(S) EQUAL TO THE APPLICABLE AMOUNT AND ANY SUCH CREDIT(S) WILL BE APPLIED AGAINST FUTURE HRIS SERVICE FEES. THE FOREGOING LIMITATION OF LIABILITY IS CUMULATIVE WITH ALL PAYMENTS FOR CLAIMS OR DAMAGES IN CONNECTION WITH THIS AGREEMENT BEING AGGREGATED TO DETERMINE SATISFACTION OF THE LIMIT. THE EXISTENCE OF ONE OR MORE CLAIMS WILL NOT ENLARGE THE LIMIT. THE PARTIES ACKNOWLEDGE AND AGREE THAT THIS LIMITATION OF LIABILITY IS AN ESSENTIAL ELEMENT OF THE BASIS OF THE BARGAIN BETWEEN THE PARTIES AND SHALL APPLY

NOTWITHSTANDING THE FAILURE OF THE ESSENTIAL PURPOSE OF ANY LIMITED REMEDY. EACH PARTY ACKNOWLEDGES THAT THIS LIMITATION OF LIABILITY REFLECTS AN INFORMED, VOLUNTARY ALLOCATION BETWEEN THE PARTIES OF THE RISKS (KNOWN AND UNKNOWN) THAT MAY EXIST IN CONNECTION WITH THIS AGREEMENT AND HAS BEEN TAKEN INTO ACCOUNT AND REFLECTED IN DETERMINING THE CONSIDERATION TO BE GIVEN BY EACH PARTY UNDER THIS AGREEMENT AND IN THE DECISION BY EACH PARTY TO ENTER INTO THIS AGREEMENT.

10. Indemnification.

- a) Customer Indemnification. To the extent authorized by the laws and constitution of the state in which customer resides, and subject to the terms and conditions set forth in Section (b) (Exceptions and Limitations on Indemnification), Customer shall indemnify and hold harmless, NEOGOV and its managers, officers, directors, employees, agents, Fulfillment Partners, NACHA, affiliates, successors, and permitted assigns (collectively, "Indemnified Party") against any and all losses, damages, liabilities, deficiencies, claims, actions, judgments, settlements, interest, awards, penalties, fines, costs, or expenses of whatever kind, including professional fees and reasonable attorneys' fees (collectively, "Losses"), arising from or claimed to have arisen from, assessed in or otherwise incurred in connection with:
 - i. Any suit or cause of action brought by any Customer employee or plan participant, dependents of such employee or plan participant, and/or administrators or sponsors of any benefits plan, or others who have or claim to have an interest in or coverage under any Customer plan or ERISA generally, which suit or cause of action is related to or arising from this Agreement or use of the Benefits Module, by Customer, or any Customer employee or plan participant;
 - ii. Any suit or cause of action arising out of or relating to (a) any and all acts or omissions of Customer, or benefits plan groups, sponsors or administrators and their officers, directors, shareholders, employees, and agents or plan participants, (b) positions taken by Customer or benefit plan groups, sponsors or administrators, whether prior to or during the term of this Agreement, which are relied upon by NEOGOV or which form the basis for any services or work product of NEOGOV hereunder;
 - iii. Any instruction, approval, election, decision, action, inaction, omission or non-performance by Customer or benefit plan groups, sponsors or administrators, or information provided by benefit plan groups, sponsors or administrators to NEOGOV hereunder;
 - iv. Any error, omission, inadequacy, delay caused by erroneous, untimely, or incomplete deliveries or transmissions of data provided by Customer or any employees, plan participants, agents, other administrators or sponsors of Customer to NEOGOV;
 - v. Any errors, omissions, or delays that are the result in whole or in part of any unauthorized act at Customer's place of business;
 - vi. Any third-party claim of any kind against NEOGOV arising from access or use by Customer or Customer agent, employee, or plan participant of the Benefits Module, in an inappropriate, unauthorized or otherwise wrongful manner;
 - vii. Any negligent, fraudulent, criminal, or willful misconduct by Customer or any Customer agent, employee, or payee;
 - viii. Customer's failure to comply with any provision of the NACHA rules that results, either directly or indirectly, in the violation by NEOGOV or Fulfillment Partner of the Federal Electronic Fund Transfer Act or Federal Reserve Board Regulation E;
 - ix. Customer's failure to comply with all Laws including, but not limited to, the U.S. Patriot Act, the Unlawful Internet Gambling Enforcement Act, the Bank Secrecy Act, and Anti Money Laundering Laws; or
 - x. Breach of any warranty made to NEOGOV under this Agreement.
- b) Exceptions and Limitations on Indemnification.
 - i. Exceptions. Notwithstanding anything to the contrary in this Agreement, Customer is not obligated to indemnify, or hold harmless Indemnified Party against any claim (whether direct or indirect) if such claim or corresponding Losses arise out of or result from Indemnified Party's: (i) gross negligence or more culpable act or omission (including recklessness or willful misconduct); or (ii) bad faith failure to materially comply with any of its material obligations set forth in this Agreement.

- ii. Maximum Aggregate Indemnification. Customer is not obligated to reimburse Indemnified Party under this Section (Indemnification) for any Losses that exceed, in the aggregate, three times (3X) the total amount paid or payable by Customer to NEOGOV under this Agreement in the twelve (12) month period preceding the event giving rise to the indemnification claim, (the “Cap”).
- c) Sole Remedy. THIS SECTION (INDEMNIFICATION) SETS FORTH THE ENTIRE LIABILITY AND OBLIGATION OF THE CUSTOMER AND THE SOLE AND EXCLUSIVE REMEDY FOR THE INDEMNIFIED PARTY FOR ANY DAMAGES COVERED UNDER THIS SECTION (INDEMNIFICATION).

11. Miscellaneous.

- a) Customer’s Vendors. To the extent that the delivery of HRIS Services requires Customer third party vendors to send and/or to receive data from and to NEOGOV, Customer shall at its own expense cause its third-party vendors to send and/or to receive data from and to NEOGOV and represents and warrants that such third-party vendors shall do so in compliance with applicable Law. Customer shall reimburse NEOGOV for any costs NEOGOV is required to bear in connection with or arising out of any such transmissions of data from and/or to such third-party vendors including any costs associated with any failure by Customer third party vendors to comply with applicable laws.
- b) Force Majeure. Excluding any payment obligations to NEOGOV as provided hereunder, any party hereto will be excused from performance under the Agreement for any period of time that the party is prevented from performing its obligations hereunder as a result of an act of God, war, utility or communication failures, or other cause beyond the party’s reasonable control. Both parties will use reasonable efforts to mitigate the effect of a force majeure event.
- c) Waiver. The failure of either party at any time to enforce any right or remedy available to it under this Agreement or otherwise with respect to any breach or failure by the other party shall not be construed to be a waiver of such right or remedy with respect to any other breach or failure by the other party.
- d) Severability. If any of the provisions of this Schedule H shall be invalid or unenforceable, such invalidity or unenforceability shall not invalidate or render unenforceable the entire Agreement, but rather the entire Agreement shall be construed as if not containing the particular invalid or unenforceable provision or provisions, and the rights and obligations of Customer and NEOGOV shall be construed and enforced accordingly.
- e) Relationship of the Parties. The parties hereto expressly understand and agree that each party is an independent contractor in the performance of each and every part of this Schedule H and is solely responsible for all of its employees and agents and its labor costs and expenses arising in connection therewith.
- f) Limitation of Claims. No action arising under or in connection with this Schedule H, regardless of the form, may be brought by Customer more than three (3) years after Customer becomes aware of or should reasonably have become aware of the occurrence of events giving rise to the cause of action.
- g) Use of Third Parties. NEOGOV may designate any third-party affiliate, or other agent or subcontractor (each a “Fulfillment Partner”), without notice to, or the consent of, Customer, to perform such tasks and functions to complete any Services.

Annex 1 – Core HR & Benefits Additional Terms

The following terms and conditions supplement the HRIS General Terms and Conditions and shall apply to the extent that Customer elects to receive or utilizes NEOGOV Core HR, and HRIS Services involving benefits administration (the “Benefits Module”).

- 1. Benefits Module Representative. Customer shall designate one or more persons who shall serve as NEOGOV’s designated contact for the Benefits Module (the “Benefits Representative”). Customer represents and warrants to NEOGOV that the Benefits Representative has, and shall at all times have, the requisite authority to transmit information, directions and instructions on behalf of Customer, each “plan administrator” defined in Section 3(16)(A) of the ERISA and Section 414(g) of the Code and, if applicable, each “fiduciary” (as defined in Section 3(21) of ERISA) of each separate employee benefit plan covered by the Benefits Module (each, a “Benefit Plan”). The Benefits Representative also shall be deemed to have authority to issue, execute, grant, or provide any approvals, requests, notices, or other communications required or permitted under this Agreement or requested by NEOGOV in connection with the Benefits Module.
- 2. Use of the Benefits Module.
 - a) HR Users. Customer shall authorize an administrator to input information and access certain information relating to (i) the benefits offered by Customer and (ii) Customer’s employees/plan participants and their benefit options and elections

as well as view certain personal and company information regarding company employees. The Benefits Module permits Customer's employees/plan participants to make various benefits elections and to view and update certain personal and company information. It is Customer's responsibility to submit instructions and information relating to the Benefits Module and to verify the accuracy and completeness of all such instructions and information submitted by Customer, employees, and plan participants.

- b) NEOGOV Not Fiduciary Advisor. Customer acknowledges and agrees that, in making the Benefits Module available, NEOGOV is not acting as an investment advisor, broker-dealer, insurance agent, attorney or intermediary or a financial or benefit planner. NEOGOV is not providing any benefits or any information related thereto; Customer is responsible for making available all benefits and information related thereto referenced or included in the Benefits Module.
 - c) NEOGOV's Health Care Clearinghouse Status. Customer expressly acknowledges and agrees that NEOGOV is not a "Health Care Clearinghouse" within the meaning of HIPAA, and Customer shall not request or otherwise require NEOGOV to act as such.
 - d) Business Associate Amendment. In the event Customer believes it is a "Covered Entity" or "Business Associate" and, to the extent that NEOGOV receives, maintains, transmits, uses or discloses Protected Health Information pursuant to the federal Health Insurance Portability and Accountability Act ("HIPAA"), the Health Information Technology for Economic and Clinical Health Act ("HITECH"), the U.S. Department of Health and Human HRIS Services regulations entitled "Standards for Privacy of Individually Identifiable Health Information" ("Privacy Rule"), Security Standards for the Protection of Electronic Protected Health Information ("Security Rule") and the Breach Notification for Unsecured Protected Health Information ("Breach Notification Rule"), the benefit services provided hereunder are subject to additional Subcontractor Business Associate Agreement either provided to Customer or located at <https://www.neogov.com/service-specifications> which are incorporated herein and may be modified from time to time and as required by law.
3. Additional Termination Rights. NEOGOV may terminate Core HR, the Benefits Module, or this Agreement immediately upon written notice to the Customer upon (a) the failure of Customer to maintain its Benefit Plan(s) in compliance with ERISA or other applicable laws or regulations or (b) NEOGOV's determination that the exercise of any of the rights granted hereunder or the continued performance by NEOGOV of its obligations under this Agreement would cause NEOGOV to violate any applicable international, federal, state or local law(s) and/or regulation(s).
4. ERISA. The terms of this Section only shall apply to the extent Customer uses services governed, in whole or in part, by the Employee Retirement Income Security Act of 1974, as amended ("ERISA")
 - a) NEOGOV's Non-Fiduciary Status. Customer expressly acknowledges and agrees that NEOGOV is not an "Administrator", "Plan Sponsor," or a "Plan Administrator" as defined in Section 3(16)(A) of ERISA, and Section 414(g) of the Internal Revenue Code of 1986, as amended (the "Code"), respectively, nor is NEOGOV a "fiduciary" within the meaning of ERISA Section 3(21), and Customer shall not request or otherwise require NEOGOV to act as such. NEOGOV shall not exercise any discretionary authority or control respecting management of any of Customer's benefit or welfare plans ("Plan" or "Plans") or management or disposition of any of Customer's benefit or welfare Plan assets. NEOGOV shall not render investment advice for a fee or other compensation, direct or indirect, with respect to any monies or other property of any Plan, nor does NEOGOV have any authority or responsibility to do so. NEOGOV has no discretionary authority or discretionary responsibility in the administration of the Plan(s).
 - b) Use of NEOGOV'S Name. Customer or the Plan Administrator must obtain the prior written consent of NEOGOV to insert any references to NEOGOV or its affiliates, or to NEOGOV Services, with respect to any communication or document pertaining to a Plan prepared by Customer, or on behalf of Customer (other than documents prepared by NEOGOV), unless the reference only identifies NEOGOV as a service provider or the reference is required in a filing or document required by ERISA or any other applicable law. Without limiting the foregoing, in no event may Customer or the Plan Administrator identify or refer to NEOGOV as "administrator", "plan administrator", "third-party administrator", "plan sponsor", "fiduciary", "plan fiduciary" or similar title.
5. Direct to Carrier Services. Customer may elect direct to insurance carrier services (each a "Carrier Link") at its option, each for an additional cost. Reconfiguration of existing Carrier Links, establishing new Carrier Links, and additional elections are available for an additional fees and may be completed by NEOGOV at NEOGOV's then current rates. NEOGOV, or its Fulfillment Partners will electronically transmit employee data, including employee benefits enrollment data, to Customer's carriers or other third parties authorized by Customer, and Customer authorizes NEOGOV and its Fulfillment Partners, to provide such transmission on Customer's behalf. NEOGOV's ability to transmit data is subject to the provision of a current functional interface between HRIS Services and the carriers' systems. NEOGOV will not be obligated to transmit Customer's data to carriers if at any time Customer's carriers fail to provide the proper interface as solely determined by NEOGOV. If Customer requires development of any special or customized interfaces in order to transmit such data, all work performed by

NEOGOV to create such interfaces will be at NEOGOV's then current fees for such services. Customer shall be responsible for promptly reviewing all records of transmissions to carriers and other reports prepared by NEOGOV for validity and accuracy according to Customer's records, and Customer will notify NEOGOV of any discrepancies promptly after receipt thereof.

Annex 2 – NEOGOV Payroll & Time and Attendance

The following terms supplement the HRIS General Terms and Conditions and shall apply to the extent that Customer elects to receive or utilize NEOGOV Payroll, Tax Services of which are a component of NEOGOV Payroll, or NEOGOV Time & Attendance.

1. **Payroll Processing and Tax Filing.** NEOGOV will deliver (i) payroll administrative services to Customer through NEOGOV's payroll software as a service (the "Payroll Module"), (ii) at Customer's election, direct deposit administration to those employees electing such service via ACH processing (collectively referred to as the "Payroll Services"), remit payroll taxes on Customer's behalf to those federal, state, and local taxing jurisdictions designated by Customer, and file related tax returns (such remitting of payroll taxes and filing of related tax returns, the "Tax Services"). At NEOGOV's then current fees, NEOGOV may also process calendar year-end W-2 forms for Customer's employees and Forms 1099-MISC. NEOGOV will, and Customer hereby authorizes NEOGOV and Fulfillment Partners to, initiate debits or reverse wire transfers prior to each payday for Customer's payroll ("Paydate") and credit the bank accounts of Customer's employees and others to be paid by Customer by direct deposit payment on Paydate (a "Payee"), all in compliance with the operating rules of the National Automated Clearing House Association and the terms and conditions hereof.
2. **Documentation and Required Information.**
 - a) **Authorization Forms; Proof of Name.** Customer will be required to complete and submit the following documents in order to use the payroll processing components of Payroll Module: (i) power of attorney forms for each jurisdiction in which Customer will use the HRIS Services (the "POA"), (ii) Authorization to Debit/Credit Bank Account(s)/Obtain Bank Account Information (the "Authorization Form"), (iii) an IRS proof of legal name/FEIN and (iv) any authorization form for Fulfillment Partner authorizing debiting and crediting Customer's bank account.
 - b) **Proof of Existence.** Customer will provide NEOGOV, and authorize NEOGOV to provide to Fulfillment Partner, Customer's (i) legal name, and "doing business as" name if applicable, (ii) physical street address (not a PO Box or PMB), (iii) phone number, (iv) Primary Business Activity (Nature of Business), (v) Duns Number (if one exists), (vi) Tax ID Number, (vii) estimated transaction count and dollar volume, (viii) number of employees, and (ix) supporting evidence via (A) either certified Articles of Incorporation, IRS EIN Letter, unexpired government issued business license, trust instrument or other government-issued evidence showing legal existence, and (B) either a voided business check, copy of utility bill, other evidence of legal name, physical address, DBA Name, or Tax ID.
 - c) **Permitted Disclosure Authorization.** Customer hereby authorize NEOGOV to (i) provide Customer's data to Fulfillment Partner for the purposes of performing the Payroll and Tax Services, and (ii) take such action as is necessary to perform the Payroll and Tax Services.
 - d) **Time and Attendance Information.** Prior to commencement of Time and Attendance Services, Customer shall provide to NEOGOV all necessary information and guidance relating to its time and attendance policies and guidelines and coordinate with NEOGOV to establish standards for NEOGOV in its execution of the Time and Attendance Services. Customer agree to promptly comply with NEOGOV's request for such additional documentation and understand that the Payroll or Tax Services may be impaired or delayed if Customer do not.
3. **Customer Obligations, Representations, and Warranties.** Customer acknowledges that NEOGOV's obligation to perform the HRIS Services is subject to Customer's obligations, representations, and warranties. Customer represents and warrants the following:
 - a) **Processing Authorization.** Customer authorizes NEOGOV to process payroll entries on behalf of Customer. Customer acknowledges that NEOGOV is acting solely in the capacity of data processing agent and is not a source of funds for Customer. Customer shall be liable for each payroll related transaction initiated by NEOGOV on behalf of Customer, whether by electronic entry or wire transfer. NEOGOV, or its Fulfillment Partners, electronically transmit employee data, including employee payroll data, to designated third parties, and Customer authorizes NEOGOV and its Fulfillment Partners, to provide such transmission on Customer's behalf. Customer agrees that NEOGOV maintains specific Fulfillment Partner(s) for NEOGOV Payroll and Tax Services fulfillment during the term of and in accordance with the Agreement and that Customer shall not, directly or indirectly, supplement, substitute, or otherwise modify the provision of such Payroll and Tax Services without terminating this Agreement.

- b) **Information Accuracy; Reliance; Change Notice.** Customer shall input, maintain, and verify the accuracy of any and all information, including payroll and tax information, and Customer shall continually ensure that such information is kept complete, accurate, delivered on time, and up to date at all times. Customer acknowledges that NEOGOV and NEOGOV Fulfillment Partners will rely on the accuracy of this information as it performs its requested functions. NEOGOV shall not be responsible for any delays or inaccuracies in Customer's delivery of data to NEOGOV. Customer will notify NEOGOV immediately of any change in the processing information, including the Authorization Form. Customer will also obtain a voluntary written authorization from any Payee prior to the initiation of the first credit to the account of such Payee and shall provide upon demand a copy of such written authorization to NEOGOV.
 - c) **Processing Deadlines.** Unless otherwise agreed to by the Parties, Customer will: (a) complete and execute all required documentation so that NEOGOV or Fulfillment Partner may withdraw funds from Customer's account to process direct deposit payrolls, (b) input or report all relevant payroll data for ACH transmissions to NEOGOV no later than 2:00 p.m. Pacific Standard Time (PST) three (3) banking days prior to each Paydate, (c) input or report all other relevant payroll data to NEOGOV no later than 2:00 p.m. Pacific Standard Time (PST) two banking days prior to each Paydate, (d) have available in Customer's bank account good, collectable funds in a sufficient amount to cover funding disbursements, checks, direct deposits, tax payments, or recurring payments to third parties no later than the opening of business (i) two banking days prior to each Paydate for debits by electronic entry, and (ii) two banking days prior to each Paydate for funding by wire transfer, and (e) compare all reports on credits or debits initiated by Customer to NEOGOV's records and promptly notify NEOGOV of any discrepancies. In the event Customer does not meet the deadlines specified herein, NEOGOV shall make reasonable efforts to complete processing prior to the Paydate; however, NEOGOV makes no representation or warranty that payroll will process by the Paydate where Customer fails to provide all required documentation by the deadline. Additional Fees may apply for expedited processing.
 - d) **Customer Review.** Within seven (7) business days after receipt from NEOGOV, Customer will promptly conduct a detailed review of all payroll and tax registers produced by NEOGOV or Fulfillment Partners for accuracy, validity and conformity with Customer's records. Customer will promptly notify NEOGOV of any error or omission discovered by Customer in any payroll registers, disbursement records, payroll or tax reports and documents produced by NEOGOV or Fulfillment Partners, or any discrepancy between the information provided by NEOGOV or Fulfillment Partners, and Customer's records. Customer will not rely on any record, report or document containing any discovered error, omission or discrepancy until such error, omission or discrepancy, has been corrected. Customer will be responsible for any consequences resulting from instructions Customer may give to NEOGOV or Fulfillment Partners with regard to HRIS Services or any payroll registers, disbursement records, reports and documents prepared by NEOGOV based on information provided by Customer.
 - e) **Document Retention.** Customer will retain copies of all information entered into or generated by the HRIS Services and Customer shall be solely responsible for maintaining such data, and all tax records, in accordance with any legal obligations.
 - f) **Special Processing.** Customer understands and acknowledges that administering processing dates beyond standard payroll dates, and correcting, amending, or cancelling a payroll entries or mistaken reversals (collectively "Special Processing"), are complicated, highly manual, and may result in additional expenses, tax consequences, and penalties. Therefore, Special Processing may be subject to additional NEOGOV Fees.
 - g) **Recovery Cooperation.** Customer agrees to undertake reasonable efforts to cooperate with NEOGOV and any other parties involved in processing any transactions hereunder to recover funds credited to any employee as a result of an error made by Customer, NEOGOV, or Fulfillment Partners, or any other loss recovery efforts and in connection with any actions that the relevant party NEOGOV may be obligated to defend or elects to pursue against any third-party.
 - h) **Compliance with Laws.** Customer acknowledges that, in order to put into effect the Payroll Services which include ACH transactions, Customer will be the Originator of the ACH transactions and will follow and be bound by the rules for ACH Originators as adopted from time to time by the NACHA. Customer agrees that it has assumed the responsibilities of an Originator under the ACH Rules and acknowledges that entries may not be initiated in violation of the laws of the United States. Customer agrees to be compliant with Laws. Customer will comply with all Laws including, but not limited to, the U.S. Patriot Act, the Unlawful Internet Gambling Enforcement Act, the Bank Secrecy Act, and Anti Money Laundering Laws.
4. **Effect of Failed Funds.** If Customer fails to pay the taxes, direct deposits, employee payments or other charges, including fees, then Customer agrees to pay NEOGOV for all costs of collection, including reasonable attorney fees, which may be associated with collection of the amounts due. NEOGOV also may, at its sole option, terminate this Agreement and withhold or suspend any work in progress. This is in addition to any other rights NEOGOV may have under this contract or under law. NEOGOV also reserves the rights to reverse employee transactions and /or tax payments for which funds have not been received from Customer

5. **Rejection of Entries.** NEOGOV shall reject any file or entry that does not comply with the requirements of this Agreement, the NACHA Rules, or uses an improper SEC Code, or if NEOGOV suspects fraud or illegal or improper activity. NEOGOV shall have no liability.
6. **Resolution of Error Exceptions.** For the purposes of this Section, the term “error exception(s)” shall mean any data requirements within the HRIS Services that, based on Customer’s configuration, have been assigned a severity level designation of “error”; such designation shall create a requirement for an operational task to be completed by Customer in order to proceed with Customer’s processing, including processing of Customer payroll for the designated period. Failure to resolve an error exception will prevent Customer’s payroll from being processed as scheduled. NEOGOV is not obligated to clear any such error on behalf of Customer.
7. **NEOGOV Errors and Omissions Warranty.** NEOGOV warrants it will use commercially reasonable efforts to properly transmit the appropriate reports, data, or filings based on the information provided in Customer’s HRIS Services. In addition, NEOGOV will use commercially reasonable efforts to rectify any Customer report, data, or filing error, including any deposit, corrected or reversal debit or credit entry, for which NEOGOV is solely responsible; provided that, in each case Customer advises NEOGOV no later than ten (10) business days after the occurrence of such errors or omissions. This is Customer’s sole remedy in the event of a breach of the foregoing warranty. Notwithstanding the foregoing, Customer will be solely responsible for payment of all tax penalties, interest, and additional NEOGOV fees if: (i) the penalty is the result of incorrect, inaccurate, or incomplete information Customer provides to NEOGOV, (ii) Customer has insufficient funds in Customer’s designated bank account to process HRIS Services, or (iii) a party other than NEOGOV, or a NEOGOV Fulfillment Partner, fails to perform services in a timely manner.
8. **Additional Liability and Warranty Limitations.** This Section 8 shall supplement Section 8 (Disclaimer of Warranties) and Section 9 (Liability Limitations) of the HRIS General Terms and Conditions.
 - a) **General Waiver.** NEOGOV, ITS PROVIDERS, AND FULFILLMENT PARTNERS, AND THE OFFICERS, DIRECTORS, EMPLOYEES, AND SUPPLIERS OF EACH WILL NOT BE LIABLE UNDER ANY CIRCUMSTANCES OR UNDER ANY THEORY OF RECOVERY (WHETHER IN CONTRACT OR TORT OR OTHERWISE) FOR (i) ANY FEES, COSTS, CHARGES, OR ANY DAMAGES CAUSED BY LOST SHIPMENT OR TRANSMISSION OF CHECKS OR ANY FORM OF DISBURSEMENT INCLUDING, BUT NOT LIMITED TO, STOP PAYMENT FEES, REPRINTING OR RETRANSMISSION COSTS, SHIPPING CHARGES, OR CONSEQUENTIAL EXPENSES AND DAMAGE, (ii) ANY CHARGES, FEES, OR EXPENSES INCURRED BY CUSTOMER, CUSTOMER’S AGENTS, OR EMPLOYEES WHICH ARE DUE TO LATE PAYCHECKS, REGARDLESS OF WHETHER SUCH PAYCHECKS ARE TO BE PREPARED AND DELIVERED BY NEOGOV, FULFILLMENT PARTNERS, OR BY CUSTOMER, (iii) NON-PERFORMANCE OF HRIS SERVICES WHICH HAVE BEEN SUSPENDED DUE TO FAILURE OR DELAY IN PAYMENT OF FEES OWED UNDER THIS AGREEMENT, AND (IV) FOR ANY DAMAGES TO CUSTOMER ARISING FROM OR IN CONNECTION WITH A DECISION BY NEOGOV TO SUBMIT FILES FOR PROCESSING AFTER CUSTOMER HAS FAILED TO CLEAR OUTSTANDING ERROR EXCEPTIONS WITHIN THE SPECIFIED DEADLINE.
 - b) **Disclaimer of Events Outside NEOGOV Control.** NEOGOV, NEOGOV OFFICERS, DIRECTORS, EMPLOYEES, AND FULFILLMENT PARTNERS WILL NOT BE LIABLE FOR ANY LOSS THAT RESULTS FROM ANY CAUSE OVER WHICH NEOGOV DOES NOT HAVE CONTROL. SUCH CAUSES INCLUDE, BUT ARE NOT LIMITED TO: (1) THE FAILURE OF ELECTRONIC OR MECHANICAL EQUIPMENT OR COMMUNICATION LINES, (2) TELEPHONE OR OTHER INTERCONNECT PROBLEMS, (3) CONFIGURATION PROBLEMS, OR THE INCOMPATIBILITY OF COMPUTER HARDWARE OR SOFTWARE, (4) THE FAILURE OR UNAVAILABILITY OF INTERNET ACCESS, (5) PROBLEMS WITH INTERNET SERVICE PROVIDERS OR OTHER EQUIPMENT OR SERVICES RELATING TO CUSTOMER’S COMPUTER OR NETWORK, (6) PROBLEMS WITH INTERMEDIATE COMPUTER OR COMMUNICATIONS NETWORKS OR FACILITIES, (7) PROBLEMS WITH DATA TRANSMISSION FACILITIES OR CUSTOMER’S TELEPHONE, CABLE, OR WIRELESS SERVICE, (8) UNAUTHORIZED ACCESS, THEFT, HACKERS, OPERATOR ERRORS, OR (9) ACTS OF GOD, INCLUDING WITHOUT LIMITATION, NATURAL DISASTER, FIRE, TERRORISM, LABOR STOPPAGE, WAR, TERRORISM, MILITARY HOSTILITIES, OR CRIMINAL ACTS OF THIRD PARTIES. NEOGOV IS ALSO NOT RESPONSIBLE FOR ANY DAMAGE TO CUSTOMER’S COMPUTER, SOFTWARE, MODEM, TELEPHONE, WIRELESS DEVICE, OR OTHER PROPERTY RESULTING IN ANY WAY FROM CUSTOMER’S USE OF THE HRIS SERVICES. ANY SERVICE LEVEL COMMITMENT SET FORTH IN THE AGREEMENT WILL NOT APPLY TO THE PAYROLL OR TIME AND ATTENDANCE SERVICES.
 - c) **Errors & Omissions.** NEOGOV SHALL NOT BE LIABLE FOR ANY DAMAGES ARISING OUT OF OR CAUSED, IN WHOLE OR IN PART, BY ANY ERRORS OR OMISSIONS IN ANY DATA, CONTENT, OR OTHER INFORMATION PROVIDED THROUGH THE HRIS SERVICES.

9. Additional Termination Rights.

- a) Termination for Default. Customer's breach of the NACHA Rules, violation of any applicable federal or state regulation, or failure to maintain account funding as required by this Agreement (and as a result any debit to Customer's account is returned), shall each constitute a default. Upon default, NEOGOV may suspend the HRIS Services or terminate this Agreement in a manner that permits NEOGOV to comply with the NACHA Rules. Termination is effective immediately upon written notice of such termination to Customer. The right to suspend the HRIS Services and/or terminate this Agreement is in addition to any other rights and remedies provided under this Agreement or otherwise under law.
- b) Effect of Termination. No termination of this Agreement shall release Customer from any obligation to pay NEOGOV any amount that has accrued or becomes payable at or prior to the date of termination. No suspension of HRIS Services shall release Customer from any obligation to pay NEOGOV any amounts due under this Agreement. Customer shall not be entitled to any refund of any amounts paid to NEOGOV as a result of a termination based on Customer's default. Notwithstanding the termination of this Agreement, the Parties shall continue to comply with the NACHA Rules with respect to transmissions pursuant to this Agreement.