



**M E M O**

TO: County Commissioners  
FROM: Robert W. Wilson  
DATE: February 9, 2021  
SUBJECT: Ultimate Kronos Group (UKG) Proposal

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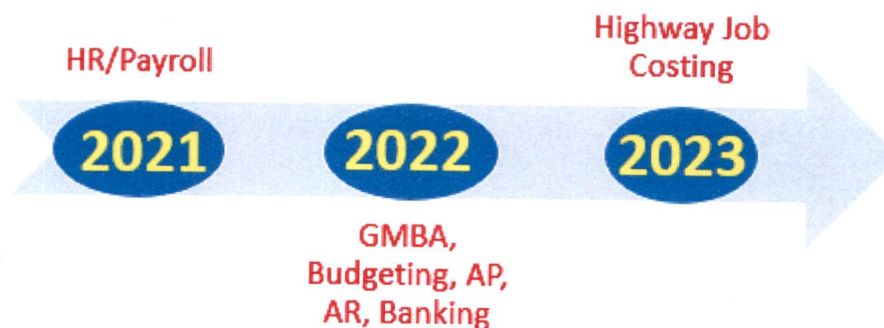
**County  
Administrator**

Robert Wilson  
701-241-5770  
wilsonro@casscountynd.gov

Over the last six months a group of Administration, Finance and IT staff – with additional input from Highway and other offices, have reviewed detailed product demonstrations, spoken with references, and discussed internally the best options for upgrading our legacy budgeting and accounting platform, the AS400.

What we learned during that process has changed our approach to this upgrade. To fully meet the complex needs of Cass County it became apparent we need a core accounting & financing program known as an ERP. Additional components, that tie directly into county budgeting and finance, such as HR/payroll, work orders and timekeeping are added on an ala carte basis as needed.

When we began this process, we started by looking at the ERP system with the expectation we would then add additional modules. The more we learned, however, it became obvious we would have an easier transition if we first added the HR/payroll system and then the core ERP and other components.



On Tuesday, February 16<sup>th</sup> we will provide an overview of the preferred HR/payroll system, UKG. This system will provide a level of analytics and data impacting every phase of the recruitment, onboarding, performance management, wage/benefits/deductions and employee separation process. Not only will it give HR staff and managers information we do not currently have, it will also give applicants and employees the ability to view application and wage & benefits information on their own without the need to contact Human Resources.

This is a major county investment and we have tried to detail the costs as completely as possible. Below are the five-year costs for AS400 as is vs. AS400 costs with an updated ERP.

Box 2806  
211 Ninth Street South  
Fargo, North Dakota 58103

<b>AS400 Costs</b>	<b>Remain in place</b>	<b>Phasing out to an upgraded solution</b>
<b>Year 1 (2021)</b>	<b>\$159,992</b>	<b>\$159,992</b>
<b>Year 2 (2022)</b>	<b>\$159,992</b>	<b>\$121,421</b>
<b>Year 3 (2023)</b>	<b>\$284,992</b>	<b>\$71,271</b>
<b>Year 4 (2024)</b>	<b>\$159,992</b>	<b>\$0</b>
<b>Year 5 (2025)</b>	<b>\$159,992</b>	<b>\$0</b>
<b>5-year Totals</b>	<b>\$924,959</b>	<b>\$352,684</b>

We have also calculated the full five-year cost of the UKG program \*and\* Dynamics, the ERP system we would propose incorporating in 2022. These costs are compared to the other, most suitable product reviewed, NeoGov, and its preferred ERP platform, OpenGov. It quickly became apparent that, in spite of the cost difference, the NeoGov/OpenGov product is not the best option for Cass County because of project limitations related to our budgeting needs.

	<b>OpenGov and NeoGov</b>	<b>UKG and Dynamics</b>
<b>Year 1 (2021)</b>	\$92,693	<b>\$251,895 (UKG Only)</b>
<b>Year 2 (2022)</b>	\$435,193	<b>\$818,287 (UKG/Microsoft Dynamics)</b>
<b>Year 3 (2023)</b>	\$210,193	<b>\$289,482</b>
<b>Year 4 (2024)</b>	\$210,193	<b>\$289,482</b>
<b>Year 5 (2025)</b>	\$210,193	<b>\$289,482</b>
<b>5 year Totals</b>	<b>\$1,158,465</b>	<b>\$1,938,629</b>

Attached for your review is a product description, the vendor agreement and a short PowerPoint that highlights the functionality of UKG software.

We recognize this is a lot of information to take in. We have scheduled this agenda item on February 16<sup>th</sup> as information only & an overview of the proposed ERP upgrade and the UKG HR/Payroll program, with Commission consideration for the UKG agreement on March 1<sup>st</sup>.

Please note the 2021 Information Technology budget includes \$250,000 for an ERP system upgrade. The recommended action on March 1<sup>st</sup> is inline with this budget intent, and within \$1,895 of the budgeted amount. I am confident we can identify a source of funds for that amount.

The AS400 system has been the backbone of all county finance and accounting functions since the early 1990's. Its functionality, however, does not match current products on the market. Additionally, we have questions about how long the program will be supported.

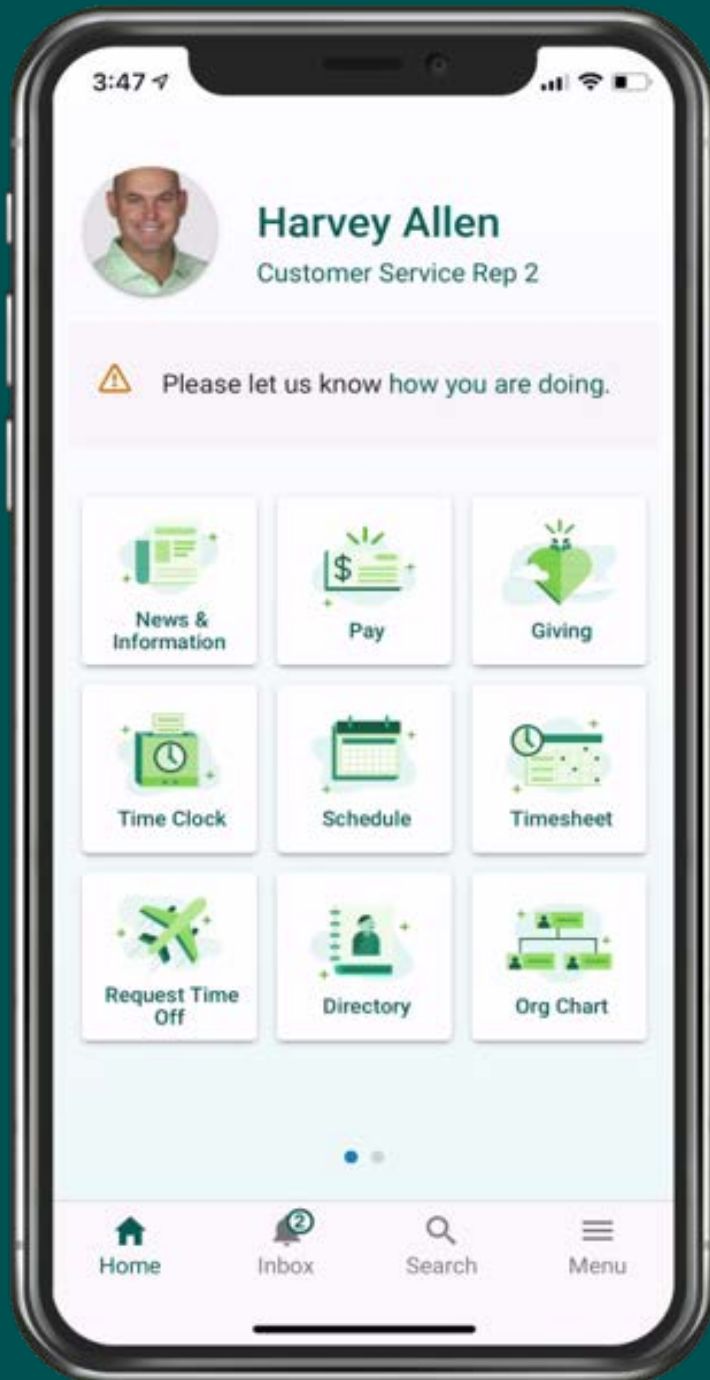




# Business Case



Prepared by Courtney Andel



# Top Priorities



Provide great **Self Service** to all. Anytime, on any smart device or desktop



**Streamline manual processes.** Reduce paper based **Recruiting, On-Boarding, Performance reviews, and Benefits**



Automate the **Payroll Process-** Effective dated system, with workflows for efficiencies



Have access to **better reporting – including Salary Analysis**



Simplified **Time and Attendance** as well as **Sheriff's Scheduling**



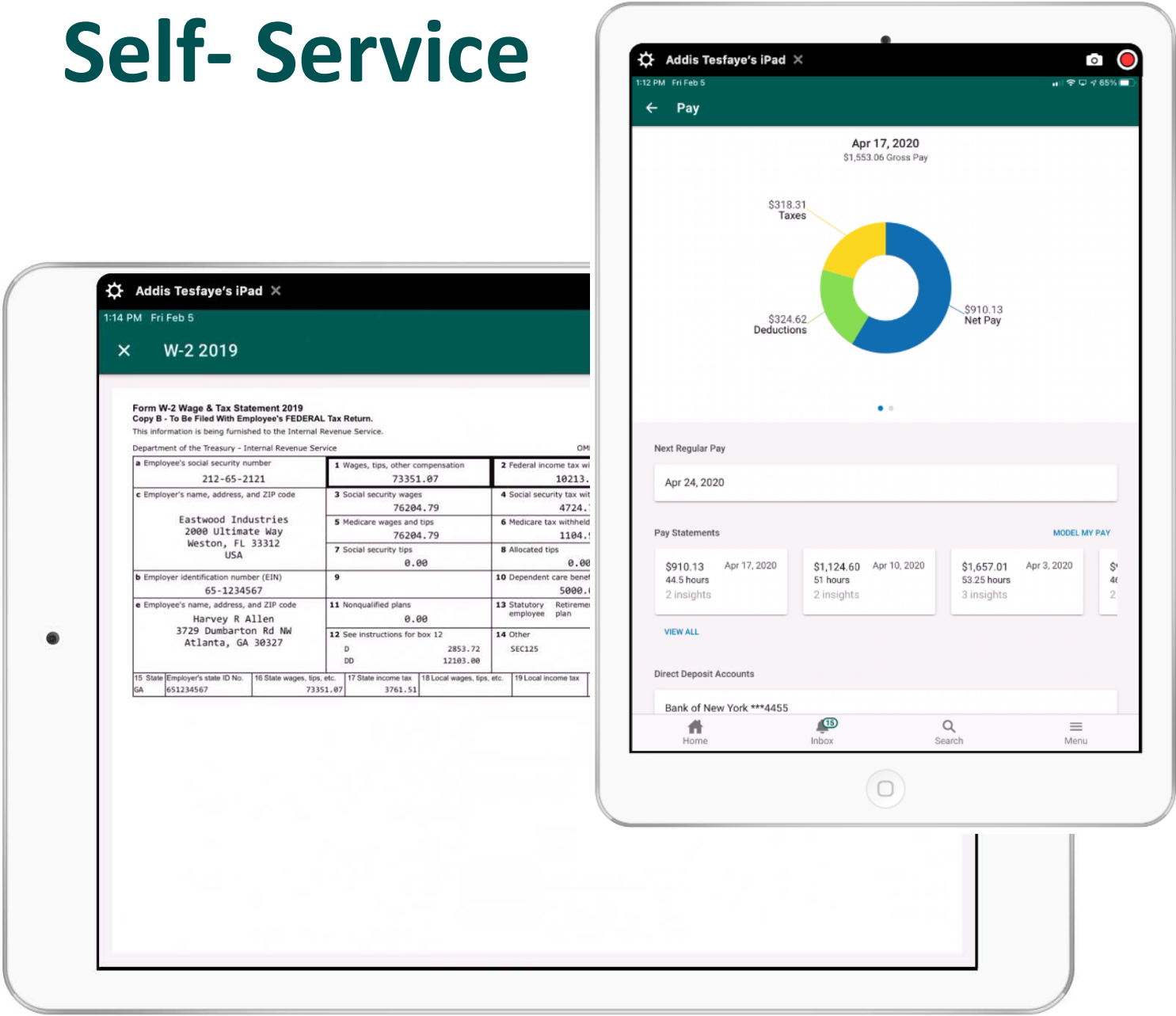
Partner with a great service organization for timely support



# Self- Service

Employees will have the ability to leverage mobile technology during the recruitment process, onboarding, and during their lifetime at Cass County.

They have the ability to change their personal information, view their pay stubs/W-2's, request PTO, view benefit information, record time, and so much more from the palm of their hand.



# Streamline Recruiting, On-Boarding, Performance Reviews and Benefits

Find your perfect job!

Job Title, Job Category, Store, Requisition Number

Company Location Job Category Schedule

Showing 15 of 15 opportunities By Newest

**Customer Support** Sep 21, 2020  
 Job Category: Administration Group  
 Requisition Number: CUSTO01048  
 Schedule: Full Time  
 Atlanta, GA, USA  
 THE POSITION Are you a Library professional seeking a leadership opportunity within an organization passionate about serving their community? Are you a strong leader who values collaboration and partnership to drive change while creating a positive workplace culture? If so, we would encourage you to apply to join our Library team!

**Customer Support** Apr 14, 2020  
 Job Category: Administration Group  
 Requisition Number: CNA0001017  
 Schedule: Full Time

**Featured Opportunities**

- Customer Support** Sep 21, 2020  
Administration Group  
Atlanta, GA, USA  
Full Time
- Full Stack Software Engineer** Apr 14, 2020  
Operations Group  
Seal Beach, CA, USA  
Full Time
- Cashier** Apr 14, 2020  
Administration Group  
San Francisco, CA, USA  
Full Time
- Programmer/Engineer** Apr 14, 2020  
Operations Group  
Albuquerque, NM, USA  
Full Time
- Chief Information Officer** Apr 14, 2020  
Executive Group  
Dunwoody, GA, USA  
Full Time

Welcome aboard!

**Harvey Allen**  
 Admin Assistant 1  
 Eastwood Industries(168)

Your expertise and creativity are exactly what our team needed. We look forward to having you on board!

— James Bana

**Before your first day** Due 10/05/2019

We need some information to get everything ready for your first day. These steps should take less than 30 minutes to complete.

- Personal Information
- Employment Eligibility
- Pay & Taxes
- Policies & Documents
- Review & Submit

**Your Team**

**Stephanie Blanco**  
 Departmental Manager

**Helpful Information**

Meet Our CEO Scott S...

**Your First Day** 10/07/2019

2020 Annual Performance Review

**Jonathan K Baker - Goals**

Please complete this section completely and provide comments for each goal.  
 Rating Scale [Five Point](#)

**1. Continuing Education** 33% complete  
 Goal Weight: 25%  
 Earn 20 or more CEU's of continuing education with a focus on customer service.  
 I earned 30 CEU credits this year.

**2. Improve Customer Satisfaction** 70% complete  
 Goal Weight: 10%

**Review History**

**Annual Review - PY 2019 Annual Performance Review**  
 12/31/2019  
 Exceeds Expectations  
 By: Stephanie M Blanco

**Annual Review**  
 12/31/2018  
 Met Expectations  
 By: Stephanie Blanco

**Salary**  
 03/14/2017  
 Exceeds Expectations  
 By: Baker, Harry B.

**Performance**  
 10/09/2015  
 Below Expectations  
 By: Harry Baker

Employee Open Enrollment

**Confirm Your Elections or Changes**

This page shows a summary of the changes you are about to make. Please verify your changes carefully before submitting. If you need to make any edits you can do so by selecting the plan type or plan description hyperlink to return to the election page. When you are satisfied with your changes, please click the Submit button on the toolbar. Effective: 01/01/2021

**Personal Information**

Name: Harvey Robert Allen  
 Address: 3729 Dumbarton Rd NW, Atlanta, GA 30327  
 Home phone: Private  
 Work phone: +1 954-555-8600  
 Work extension: Private  
 E-mail: Harvey.Allen@usgmail.net

Plan Type	Plan Details	Your weekly cost
Defered Comp(USA)	401(k) Percent per pay check: 4.00 % Annual contribution: \$19,500.00	
	Covered Family Members Harvey Robert Allen	
	Primary Beneficiaries Meredith F Allen	Allocation 100.00 %
	Secondary Beneficiaries	Allocation
	Medical	PPD Medical Coverage: Family Harvey Robert Allen Wilson Allen Meredith F Allen \$69.18
	Dental	Dental PPD \$8.11

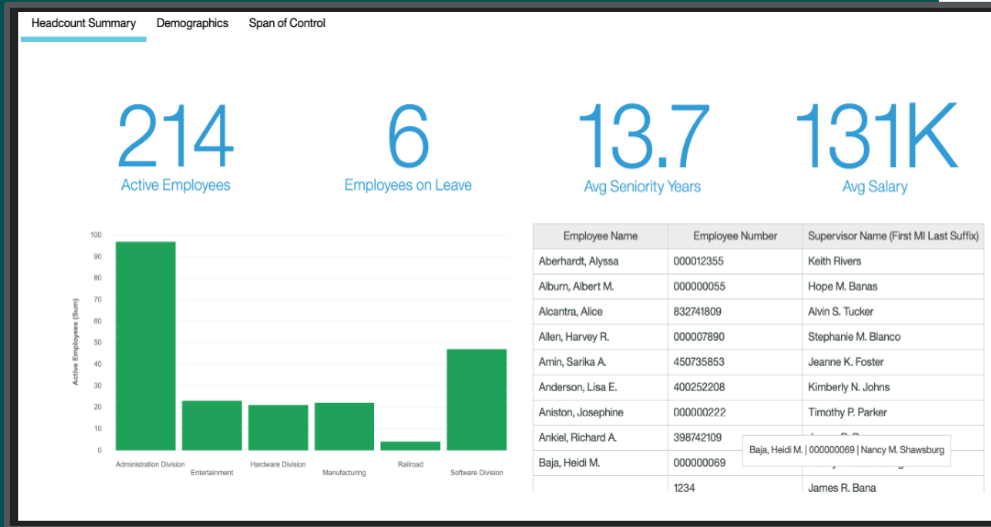
After everything is confirmed, payroll deductions will be automatically updated and effective dated.





UKGpro's strength lies in its reporting capabilities.

Whether it's one of our hundreds of standard reports, or our analytics dashboard, UKGpro can give you detailed insight into the County and your workforce.



# Access to Better Reporting

### Proposed Salary Increase Analysis

% Increase: 2.5 | Department: All | Location: All | Exclude Those with Increases in Last: 12 Months | Min Tenure for Increase: 12 Months | Job: All | Finish

Department	Employee Name	Job Title	FLSA Code	Hire Date	Location	FT/PT	Date of Last Increase	Current Salary	New Salary	Increase Amount
Customer Service	<a href="#">Allen, Harvey R.</a>	Customer Service	E	09/20/2020	Atlanta, GA	F	01/04/2016	\$69,098.81	\$69,098.81	\$0.00
	<a href="#">Baker, Jonathan K.</a>	Customer Service Rep 2	E	03/14/2001	Charlotte, NC	F	03/14/2017	\$79,612.00	\$81,602.30	\$1,990.30
	<a href="#">Banks, Henry M.</a>	Customer Service Rep Lead	E	01/01/1997	Tampa, FL	F	12/31/2009	\$41,000.00	\$42,025.00	\$1,025.00
	<a href="#">Baren, Mark M.</a>	Admin Assistant 2	E	03/16/1991	Fl. Lauderdale	F	03/23/2020	\$38,499.95	\$38,499.95	\$0.00
	<a href="#">Booker, Calvin M.</a>	Admin Assistant 2	E	01/01/1997	Denver, CO	F	01/23/2003	\$22,000.00	\$22,550.00	\$550.00
	<a href="#">Bork, Wesley M.</a>	Customer Service Rep 2	E	01/01/1997	Pittsburgh, PA	F	06/30/2017	\$52,667.95	\$53,984.65	\$1,316.70
	<a href="#">Brooke, Lynn M.</a>	Customer Service	E	11/01/2002	Pittsburgh, PA	F	04/15/2004	\$19,000.00	\$19,475.00	\$475.00
	<a href="#">Byers, Hugh M.</a>	Trainer	E	01/01/1997	Pittsburgh, PA	F	06/30/2017	\$59,811.00	\$61,306.28	\$1,495.27
	<a href="#">Collins, Carmen M.</a>	Customer Service Rep Lead	E	01/01/1997	Denver, CO	F	01/01/2017	\$71,953.00	\$73,751.82	\$1,798.82
	<a href="#">Grack, Jeremy T.</a>	Sales Representative	E	09/09/2009	Fl. Lauderdale	F	09/09/2017	\$50,184.00	\$51,438.60	\$1,254.60
	<a href="#">Juno, Craig</a>	Admin Assistant 1	E	12/05/2003	Fl. Lauderdale	F		\$41,600.00	\$42,640.00	\$1,040.00
	<a href="#">Lowe, Cary M.</a>	Manager of Inventory	E	01/01/1997	Chicago, IL	F	01/04/2016	\$65,280.00	\$66,912.00	\$1,632.00
	<a href="#">Marks, Alton M.</a>	Customer Service	E	01/01/1997	Columbus, OH	F	12/15/2002	\$14,768.21	\$15,137.42	\$369.21
	<a href="#">Meyers, Sue M.</a>	Customer Service Rep 2	E	01/01/1997	Seal Beach, CA	F	06/30/2019	\$29,640.00	\$30,381.00	\$741.00
	<a href="#">Norchi, Lillian M.</a>	Customer Service	E	01/01/1997	Columbus, OH	F	11/14/2020	\$26,000.00	\$26,000.00	\$0.00
	<a href="#">Parkson, Matthew M.</a>	Customer Service Rep 2	E	01/01/1997	Columbus, OH	F	04/15/2004	\$21,000.00	\$21,525.00	\$525.00
	<a href="#">Redding, William M.</a>	Customer Service	E	01/01/1997	Columbus, OH	F	12/15/2002	\$12,039.30	\$12,340.28	\$300.98
	<a href="#">Samuels, Blake D.</a>	Admin Assistant 1	E	11/01/2003	Fl. Lauderdale	F		\$18,720.00	\$19,188.00	\$468.00
	<a href="#">Sawyer, Blane M.</a>	Customer Service	E	01/01/1997	Seal Beach, CA	F	01/07/2017	\$35,274.57	\$36,156.43	\$881.86
	<a href="#">Simson, Carol M.</a>	Customer Service Rep 2	E	01/01/1997	Morristown, NJ	F	12/15/2002	\$21,212.10	\$21,742.40	\$530.30
<a href="#">Slaton, David</a>	Customer Service	E	03/23/2020	Seal Beach, CA	F		\$29,640.00	\$29,640.00	\$0.00	
<a href="#">Sutton, Bob</a>	Customer Service Rep 2	E	11/19/2002	Columbus, OH	F	06/30/2017	\$17,877.40	\$18,324.34	\$446.93	
<a href="#">Truell, Naomi C.</a>	Departmental Manager	E	02/08/1970	Charlotte, NC	F	12/15/2002	\$51,817.58	\$53,113.02	\$1,295.44	
<a href="#">West, Sally M.</a>	Customer Service Rep 2	E	01/01/1997	Columbus, OH	F	12/15/2002	\$22,050.04	\$22,601.29	\$551.25	
<a href="#">White, Sam M.</a>	Customer Service Rep 2	E	01/01/1997	Morristown, NJ	F	12/15/2002	\$27,562.43	\$28,251.49	\$689.06	
<b>Customer Service - Total</b>								<b>\$938,308.35</b>	<b>\$957,685.08</b>	<b>\$19,376.74</b>
Executive	<a href="#">Baja, Heidi M.</a>	Vice President - Finance	E	01/01/1997	Fl. Lauderdale	F	12/31/2009	\$96,865.40	\$99,287.04	\$2,421.63
	<a href="#">Bana, James R.</a>	Human Resources	E	01/01/1997	Fl. Lauderdale	F	12/31/2009	\$90,090.00	\$92,342.25	\$2,252.25
	<a href="#">Chevalier, Sandra</a>	Admin Assistant 1	E	09/01/2008	Fl. Lauderdale	F		\$20,800.00	\$21,320.00	\$520.00
	<a href="#">Haleman, Heidi G.</a>	President & CEO	E	01/01/1999	Fl. Lauderdale	F	04/14/2004	\$145,000.00	\$148,625.00	\$3,625.00
	<a href="#">Johns, Kimberlin N.</a>	Vice President - Dev	E	11/20/2002	Fl. Lauderdale	F	06/08/1999	\$96,305.00	\$98,712.62	\$2,407.62
	<a href="#">Jones, Andy M.</a>	Vice President - Sales	E	04/02/2004	Fl. Lauderdale	F	08/29/2003	\$123,599.98	\$126,689.98	\$3,090.00
	<a href="#">Shawsburg, Nancy M.</a>	Chief Information Officer	E	01/01/1997	Fl. Lauderdale	F	12/15/2002	\$131,456.50	\$134,742.91	\$3,286.41
<a href="#">Summer, Perry A.</a>	Vice President Operations	E	12/05/2002	Fl. Lauderdale	F	08/29/2003	\$113,300.00	\$116,132.50	\$2,832.50	
<b>Executive - Total</b>								<b>\$817,416.88</b>	<b>\$837,852.31</b>	<b>\$20,435.42</b>
Finance	<a href="#">Baker, Harry B.</a>	Departmental Manager	E	01/01/1997	Fl. Lauderdale	F	11/11/2017	\$63,144.03	\$64,722.63	\$1,578.60
	<a href="#">Browning, Debra A.</a>	Admin Assistant 1	E	09/03/2007	Atlanta, GA	F		\$25,168.00	\$25,797.20	\$629.20
	<a href="#">Calmus, Tom</a>	Technical Writer	E	02/01/2010	Indiana	F	10/15/2015	\$125,000.00	\$128,125.00	\$3,125.00
	<a href="#">Chapman III, Michael B.</a>	Director of Finance	E	01/08/1980	Fl. Lauderdale	F	12/15/2002	\$51,974.96	\$53,774.33	\$1,799.37





# Receive Great Support

Dedicated Account Manager

Rapid Response Team  
24/7/365

Live Chat within the solution

Unlimited training  
included at NO  
additional cost

Named Executive  
Relationship Manager







üKG

Our purpose is people



# Order Form - Workforce Central SaaS for SMB

Quote #: 679946-1  
 Expires: 3/31/2021  
 Prepared By: Courtney Andel

Order Type: Standard  
 Date: 2/5/2021

Bill To: Attn: Terry Schmaltz  
**Cass County**  
 211 9th St S  
 Fargo, ND 58103-1898

Ship To: Attn: Terry Schmaltz  
**Cass County**  
 211 9th St S  
 Fargo, ND 58103-1898

Solution ID: 6176920  
 Currency: US  
 Customer PO #:  
 Data Center: USA  
 Executive Name:  
 Executive Email:  
 Program Manager Name:  
 Program Manager Email:

Email: [exception@kronos.com](mailto:exception@kronos.com)  
 FOB: Shipping Point  
 Ship Method: FedEx Ground  
 Freight Terms: Prepay & Add

**Notes:**

Kronos will provide Customer read-only ODBC access into Customer's production and non-production databases for Timekeeper/HRMS over secure connection (e.g. VPN). Customer is responsible for establishing this secure connection to the Kronos Cloud and additional fees for that connection may apply. Kronos may, but is not obligated to, limit or block Customer's database read-only ODBC queries in order to prevent failure of the database due to overload. Kronos will not pay SLA credits for any Outage that is the result of overloading the database during read-only ODBC access. Overall performance may be limited during peak processing periods, and Customer may need to limit resource intensive read-only ODBC queries to off-peak periods. Customer

Initial Term: Five year  
 Billing Start Date: 90 days from execution of Order Form  
 Renewal Term: One Year  
 Payment Terms: Net 30  
 Billing Frequency (unless otherwise noted, all invoices are due per the payment terms noted above):  
 Applications: Monthly in Arrears  
 Professional Services: Fixed Fee, 100% at Signing

The Professional Services TSG SMB implementation guidelines are attached to this Order Form.

The Workforce TeleStaff bundle on this Order Form includes: Workforce TeleStaff Enterprise, Workforce TeleStaff Global Access, Workforce TeleStaff Institution Focus, and Workforce TeleStaff Contact Manager. The costs of any individual Application(s) included in the Workforce TeleStaff Bundle (i.e., Workforce TeleStaff Institution Focus) will be set forth on a mutually agreed upon Order Form based on Kronos' then current list price.

**APPLICATIONS**

Item	License/Qty	PEPM	Monthly Price
Workforce TeleStaff Enterprise Bundle v7.1 +	175	\$8.40	\$1,470.00
Workforce TeleStaff Bidding v7.1 +	175	\$0.00	Included
<b>Monthly Total:</b>			<b>\$1,470.00</b>

**CLOUD SERVICES**

Item	Qty	Unit Price	Monthly Price
Read-Only ODBC Access to WFC/HR Database	1	\$0.00	\$0.00
<b>Total Monthly:</b>			<b>\$0.00</b>

**CORE SMB PROFESSIONAL / EDUCATIONAL SERVICES**

Item	Duration	Total Price
Implementation TSG SaaS SMB		\$20,000.00
KnowledgePass SaaS WFC SMB		Included
<b>Total Price</b>		<b>\$20,000.00</b>

**SUMMARY**

Item	Total Price
Monthly Application Fee	\$1,470.00
Monthly Cloud Services Fee	\$0.00
<b>Total Monthly Service Fees:</b>	<b>\$1,470.00</b>
Implementation TSG SaaS SMB	\$20,000.00
<b>Total One Time Fees:</b>	<b>\$20,000.00</b>

**Cass County**

By: \_\_\_\_\_  
 Name: \_\_\_\_\_  
 Title: \_\_\_\_\_  
 Date: \_\_\_\_\_

**Kronos Incorporated**

By: \_\_\_\_\_  
 Name: \_\_\_\_\_  
 Title: \_\_\_\_\_  
 Date: \_\_\_\_\_

## WORKFORCE TELESTAFF SAAS VALUE PACKAGE

The following applies to all entitlements within TeleStaff SaaS/SMB implementations:

Kronos Delivered Value	
<p><b>Workforce TeleStaff Entitlement</b></p>	<p><b>Paragon Implementation methodology:</b> Kronos SaaS SMB fixed scope, remote implementations follow our Paragon methodology – an iterative, collaborative approach, driven by value and realized through collaboration. Paragon is bolstered by tools and techniques and Kronos process recommendations to ensure you’re always up to date, and accelerated testing processes to ease the effort and improve the results of testing. The Paragon project lifecycle, roles &amp; responsibilities, are discussed in more detail <a href="#">here</a>.</p> <p><b>Project Management</b> services including:</p> <ul style="list-style-type: none"> <li>• Creation and maintenance of work plan, issues and risks management, status calls and reports.</li> <li>• Kronos Project Manager will work with customer Project Manager to jointly run project.</li> <li>• Project Management includes transition to Kronos Global Support after the deployment go-live.</li> </ul> <p><b>Implementation approach</b></p> <ul style="list-style-type: none"> <li>• Kronos will conduct one remote assessment with your project team to create one solution design for your organization.</li> <li>• Your team will conduct one testing cycle to accept that solution, which Kronos will support.</li> <li>• Kronos will support one production cutover.</li> </ul> <p><b>Technical Architecture.</b> Two environments (1 Production, 1 Development) will be designed and built to house all the modules purchased. Implementation will occur in the Production environment prior to cutover. The Development environment may be refreshed from Production to support testing and training activities.</p> <p><b>Training.</b> We train your core team, and provide you with KnowledgePass collateral and toolsets to train your end-users. Kronos training curriculums can be reviewed on the Kronos customer web-site <a href="https://community.kronos.com/s/learn">https://community.kronos.com/s/learn</a>.</p> <p><b>Rapid Implementation:</b> Kronos SaaS SMB fixed scope implementations are designed to deliver value quickly to your organization. Project timelines generally span 1-3 months. Implementation support for these time spans are included in the package. Extended project timelines requested by customers can be supported with additional professional services agreed via change order. If customer project resources are unprepared or unavailable, the duration of the project may need to be extended, increasing the budget required to successfully complete this scope of work. Requests for additional scope or activities outside of this planned project scope may be accommodated through the change process after go-live. In this circumstance, Kronos may issue a change order to ensure the appropriate budget is available.</p>





## WORKFORCE TELESTAFF SERVICE GUIDELINES

Kronos Delivered Value	
<b>Workforce TeleStaff Entitlement</b>	<p>One-time data import of customer supplied person data in Kronos format</p> <p>Centralized rosters</p> <p>Multi-day schedule views</p> <p>Leave restrictions for staffing codes</p> <p>Time off requests/approvals</p> <p>Shift trades</p> <p>Workflow notifications</p> <p>Standard reports</p> <p>Assignment templates</p> <p>Standard payroll export</p> <p>Email/text/phone notifications, messages and offers</p> <p>SMS configuration (text via Twilio)</p> <p>Roster headcounts</p> <p>Work availability status and opportunity sign up</p> <p>Multiple staffing list selections</p> <p>Multiple staffing authorities/roles</p> <p>Special events</p> <p>Standard WFR/WFTS integration bundle (if applicable)</p> <p>One production cutover</p> <p><b>Assumptions:</b></p> <ul style="list-style-type: none"><li>• Customer project teams must be prepared to start the implementation process soon after signing the contract.</li><li>• No additional features outside of the baseline offering will be considered until after go-live.</li><li>• Implementations take a linear approach. For multiple scheduling groups (Ex: Fire and Police) project team will start with one agency and the next agency will start implementation after the first group is live.</li></ul>





## WORKFORCE CENTRAL - SOFTWARE AS A SERVICE TERMS AND CONDITIONS

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

Kronos and Customer hereby further agree that Kronos and/or its direct and indirect majority owned subsidiaries may enter into orders with Customer and/or its direct and indirect majority owned subsidiaries subject to the terms and conditions of this Agreement. By signing and entering into an Order Form that expressly references this Agreement, each such subsidiary of Kronos and/or Customer will be deemed to have agreed to be bound by the terms and conditions of this Agreement and all references in this Agreement to “Kronos” shall be references to the applicable Kronos entity entering into the order, and all references in this Agreement to “Customer” shall be references to the applicable Customer entity entering into the order.

### 1. DEFINITIONS

“**Acceptable Use Policy**” means the Kronos policy describing prohibited uses of the Services as further described at: <https://www.kronos.com/policies/acceptable-use>

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

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

“**Billing Start Date**” means the date the billing of the Monthly Service Fees begin to accrue as indicated on the applicable Order Form. Notwithstanding, Implementation Services provided on a time and material basis are billed monthly as delivered. The Billing Start Date of the Monthly Service Fees for any Services ordered by Customer after the date of this Agreement which are incremental to Customer’s then-existing Services shall be the date the applicable Order Form is executed by Kronos and Customer.

“**Cloud Services**” means those services related to Customer’s cloud environment as further described at: <http://www.kronos.com/products/workforce-central-cloud/cloud-guidelines.aspx>

“**Confidential Information**” means any non-public information of a party or its Suppliers relating to such entity’s business activities, financial affairs, technology, marketing or sales plans that is disclosed pursuant to this Agreement and reasonably should have been understood by the receiving party, because of (i) legends or other markings, (ii) the circumstances of disclosure or (iii) the nature of the information itself, to be proprietary or confidential to the disclosing party or its Suppliers.

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

“**Documentation**” means user manuals published by Kronos relating to the features and functionality of the Applications.

“**Equipment**” means the Kronos equipment specified on an Order Form.

“**Implementation Services**” means those professional and educational services provided by Kronos to set up the cloud environment and configure the Applications. Unless otherwise set forth on an Order Form as “a la carte” services (supplemental fixed fee, fixed scope services) or “bill as you go” services (time and material services described in a Statement of Work), Kronos will provide, as part of the Monthly Service Fee for the Applications, the fixed fee, fixed scope Implementation Services described in the Services Implementation Detail set forth at: <https://www.kronos.com/wfc-saas-implementation-guideline-details-flat-fee>

“**Initial Term**” means the initial billing term of the Services as indicated on the Order Form. The Initial Term commences on the Billing Start Date. Customer may have access to the Services prior to the commencement of the Initial Term.

“**KnowledgePass Content**”/“**KnowledgePass Education Subscription**” have the meanings ascribed in Section 7.5.

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

“**Order Form**” means an order form mutually agreed upon by Kronos and Customer setting forth the items ordered by Customer and to be provided by Kronos, including without limitation the prices and fees to be paid by Customer.

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

**“Renewal Term”** means the renewal billing term of the Services as indicated on the Order Form.

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

**“Statement of Work”, “SOW”, “Services Scope Statement”** and **“SSS”** are interchangeable terms referring to a written description of the Implementation Services mutually agreed upon by Kronos and Customer and set forth as “bill as you go” services on the Order Form.

**“Supplier”** means any contractor, subcontractor or licensor of Kronos providing software, equipment and/or services to Kronos which are incorporated into or otherwise related to the Services. Kronos may at its sole discretion replace a Supplier, provided that a change to Supplier will not have a materially adverse effect on the Services delivered by Kronos under this Agreement.

**“Term”** means the Initial Term and any Renewal Terms thereafter.

**“Training Points”** has the meaning ascribed to it in Section 7.6 below.

## **2. TERM**

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

**2.2** Either party may terminate the Services and this Agreement to be effective at the expiration of the then current Term upon no less than sixty (60) days prior written notice.

**2.3** Either party may terminate the Services and the Agreement upon a material breach of the Agreement by the other party if such breach is not cured within thirty (30) days after receipt of written notice.

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

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

- (a)** Customer shall pay Kronos within thirty (30) days of such termination, all fees accrued and unpaid under this Agreement prior to the effective date of such termination, provided however, if Customer terminates for material breach of the Agreement by Kronos, Kronos shall refund Customer any pre-paid fees for Services not delivered by Kronos;
- (b)** Customer’s right to access and use the Applications shall be revoked and be of no further force or effect and return rented Equipment as provided in Section 9.1 below;
- (c)** Customer agrees to timely return all Kronos-provided materials related to the Services to Kronos at Customer’s expense or, alternatively, destroy such materials and provide Kronos with an officer’s certification of the destruction thereof; and
- (d)** All provisions in the Agreement, which by their nature are intended to survive termination, shall so survive.

**2.6** Customer Content shall be available to Customer to retrieve at any time and at no additional charge throughout the Term and for no more than thirty (30) days after expiration or termination of the Agreement for any reason. After such time period, Kronos shall have no further obligation to store or make available the Customer Content. Kronos will delete Customer Content after Customer’s rights to access the Services and retrieve Customer Content have ended.

## **3. FEES AND PAYMENT**

**3.1** Customer shall pay Kronos the Monthly Service Fees, the fees for the Implementation Services and any additional one time or recurring fees for Equipment, Training Points, KnowledgePass Education Subscription and such other Kronos offerings, all as set forth on the Order Form. The Monthly Service Fees will be invoiced on the frequency set forth on the Order Form (**“Billing Frequency”**). If Customer and Kronos have signed a Statement of Work for the Implementation Services, Implementation Services will be invoiced monthly as delivered unless otherwise indicated on the Order Form. If Kronos is providing Implementation Services in accordance with the Services Implementation Guideline or as “a la carte” services on the Order Form, Kronos will invoice Customer for Implementation Services in advance of providing such Implementation Services unless otherwise indicated on the Order Form. All other Kronos offerings will be

invoiced upon execution of the applicable Order Form by Kronos and Customer. Unless otherwise indicated on an Order Form, payment for all items shall be due 30 days following date of invoice. All payments shall be sent to the attention of Kronos as specified on the invoice. Except as expressly set forth in this Agreement, all amounts paid to Kronos are non-refundable. Customer is responsible for all applicable federal, state, country, provincial or local taxes relating to the goods and services provided by Kronos hereunder (including without limitation GST and/or VAT if applicable), excluding taxes based on Kronos' income or business privilege.

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

**3.3** At the later of (i) one (1) year after the effective date of this Agreement, or (ii) expiration of the Initial Term, and at each annual anniversary of that date thereafter, Kronos may increase the Monthly Service Fee rates in an amount not to exceed four percent (4%). The increased Monthly Service Fees will be reflected in the monthly invoice following the effective date of such increase without additional notice. For renewals based on the Annual in Advance Billing Frequency, Kronos will provide Customer with the renewal invoice prior to commencement of the Renewal Term and payment will be made by Customer in accordance with the payment terms agreed upon with Customer for the Initial Term.

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

**4.1** Subject to the terms and conditions of the Agreement, Kronos hereby grants Customer a limited, revocable, non-exclusive, non-transferable, non-assignable right to use during the Term and for internal business purposes only: a) the Applications and related services, including the Documentation; b) training materials and KnowledgePass Content; and, c) any embedded third party software, libraries, or other components, which form a part of the Services. The Services contain proprietary trade secret technology of Kronos and its Suppliers. Unauthorized use and/or copying of such technology are prohibited by law, including United States and foreign copyright law. Customer shall not reverse compile, disassemble or otherwise convert the Applications or other software comprising the Services into uncompiled or unassembled code. Customer shall not use any of the third party software programs (or the data models therein) included in the Services except solely as part of and in connection with the Services. The JBoss® Enterprise Middleware components of the Service are subject to the end user license agreement found at [http://www.redhat.com/licenses/jboss\\_eula.html](http://www.redhat.com/licenses/jboss_eula.html). Customer acknowledges that execution of separate third party agreements may be required in order for Customer to use certain add-on features or functionality, including without limitation tax filing services.

**4.2** Customer acknowledges and agrees that the right to use the Applications is limited based upon the amount of the Monthly Service Fees paid by Customer. Customer agrees to use only the modules and/or features for the number of employees and users as described on the Order Form. Customer agrees not to use any other modules or features nor increase the number of employees and users unless Customer pays for such additional modules, features, employees or users, as the case may be. Customer may not license, relicense or sublicense the Services, or otherwise permit use of the Services (including timesharing or networking use) by any third party. Customer may not provide service bureau or other data processing services that make use of the Services without the express prior written consent of Kronos. No license, right, or interest in any Kronos trademark, trade name, or service mark, or those of Kronos' licensors or Suppliers, is granted hereunder.

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

**4.4** Customer acknowledges and agrees that, as between Customer and Kronos, Kronos retains ownership of all right, title and interest to the Services, all of which are protected by copyright and other intellectual property rights, and that, other than the express rights granted herein and under any other agreement in writing with Customer, Customer shall not obtain or claim any rights in or ownership interest to the Services or Applications or any associated intellectual property rights in any of the foregoing. Customer agrees to comply with all copyright and other intellectual property rights notices contained on or in any information obtained or accessed by Customer through the Services.

**4.5** When using and applying the information generated by the Services, Customer is responsible for ensuring that Customer complies with applicable laws and regulations. If the Services include the Workforce Payroll Applications or Workforce Absence Management Applications: (i) Customer is solely responsible for the

content and accuracy of all reports and documents prepared in whole or in part by using these Applications, (ii) using these Applications does not release Customer of any professional obligation concerning the preparation and review of any reports and documents, (iii) Customer does not rely upon Kronos, Best Software, Inc. or these Applications for any advice or guidance regarding compliance with federal and state laws or the appropriate tax treatment of items reflected on such reports or documents, and (iv) Customer will review any calculations made by using these Applications and satisfy itself that those calculations are correct.

## **5. ACCEPTABLE USE**

**5.1** Customer shall take all reasonable steps to ensure that no unauthorized persons have access to the Services, and to ensure that no persons authorized to have such access shall take any action that would be in violation of this Agreement. Customer is responsible for all activities undertaken under the auspices of its passwords and other login credentials to use the Services.

**5.2** Customer represents and warrants to Kronos that Customer has the right to publish and disclose the Customer Content in connection with the Services. Customer represents and warrants to Kronos that the Customer Content will comply with the Acceptable Use Policy.

**5.3** Customer will not (a) use, or allow the use of, the Services in contravention of the Acceptable Use Policy.

**5.4** Kronos may suspend the Services immediately upon written notice in the event of any security risk, negative impact on infrastructure or Acceptable Use Policy violation.

## **6. CONNECTIVITY AND ACCESS**

Customer acknowledges that Customer shall (a) be responsible for securing, paying for, and maintaining connectivity to the Services (including any and all related hardware, software, networking, internet access, third party services and related equipment and components); and (b) provide Kronos and Kronos' representatives with such physical or remote access to Customer's computer and network environment as Kronos deems reasonably necessary in order for Kronos to perform its obligations under the Agreement. Customer will make all necessary arrangements as may be required to provide access to Customer's computer and network environment if necessary for Kronos to perform its obligations under the Agreement.

## **7. IMPLEMENTATION AND SUPPORT**

**7.1 Implementation Services.** Kronos will provide the Implementation Services to Customer. Implementation Services described in an SOW are provided on a time and materials basis, billed monthly as delivered unless otherwise indicated on the Order Form. Implementation Services described in the Services Implementation Guideline are provided on a flat fee basis. If Customer requests additional Implementation Services beyond those described in the Services Implementation Guideline, Kronos will create a change order for Customer's review and approval and any additional Implementation Services to be provided by Kronos will be billed as delivered at the then-current Kronos professional services rates. Kronos' configuration of the Applications will be based on information and work flows that Kronos obtains from Customer during the discovery portion of the implementation. Customer shall provide Kronos with all necessary and accurate configuration-related information in a timely manner to ensure that mutually agreed implementation schedules are met. In the event that Kronos is required to travel to Customer's location during the implementation, Customer agrees to pay any travel expenses, such as airfare, lodging, meals and local transportation, plus an administrative fee of ten percent (10%) of the amount of such travel expenses, incurred by Kronos in accordance with the then-current standard Kronos travel and expense policies, which Kronos will provide to Customer upon request. Kronos shall invoice Customer for such travel expenses and payment thereof shall be due net thirty (30) days from date of invoice. Kronos' then-current Professional/Educational Services Policies shall apply to all Implementation Services provided by Kronos and may be accessed at: <http://www.kronos.com/Support/ProfessionalServicesEngagementPolicies.htm> ("Professional Services Policies"). In the event of a conflict between the Professional Services Policies and this Agreement, the terms of this Agreement shall prevail.

**7.2 Additional Services.** Customer may engage Kronos to provide other services which may be fixed by activity ("a la carte") or provided on a time and materials basis ("bill as you go") as indicated on the applicable Order Form.

**7.3 Support.** Kronos will provide 24x7 support for the cloud infrastructure, the availability to the cloud environment, and telephone support for the logging of functional problems and user problems. Customer may log questions online via the Kronos Customer Portal. As part of such support, Kronos will make updates to the Services available to Customer at no charge as such updates are released generally to Kronos' customers. Customer agrees that Kronos may install critical security patches and infrastructure updates automatically as part of the Services. Kronos' then-current Support Services Policies shall apply to all Support Services provided by Kronos and may be accessed at:



<http://www.kronos.com/Support/SupportServicesPolicies.htm> (“**Support Policies**”). In the event of a conflict between the Support Policies and this Agreement, the terms of this Agreement shall prevail.

**7.4 Support Services for Equipment.** Provided Customer has purchased support services for the Equipment, the following terms shall apply (Depot Exchange support services for rented Equipment are included in the rental fees for such Equipment):

(a) Customer may select, as indicated on an Order Form, an Equipment Support Services option offered by the local Kronos entity responsible for supporting the Equipment if and as such offerings are available within the Kronos territory corresponding to the Equipment’s location. Kronos shall provide each Equipment Support Services offering as specified herein.

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

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

*Depot Repair:* Upon failure of installed Equipment, Customer shall install a Spare Product (as defined below) to replace the failed Equipment. Customer shall then return the failed Equipment, with the required RMA, to the applicable Kronos Depot Repair Center. Customer shall make reasonable efforts to return the failed Equipment using the same or substantially similar packing materials in which the original Equipment was sent. Customer shall also specify the address to which the repaired Equipment should be return shipped. Upon receipt of the failed Equipment, Kronos shall repair the failed Equipment and ship it, within ten (10) business days after receipt, to Customer. Kronos shall ship the repaired Equipment by regular surface transportation to Customer.

(ii) Device Software Updates Only. If Customer has selected Device Software Equipment Support Services, Customer shall be entitled to receive:

(A) Service packs for the Equipment (which may contain system software updates, firmware updates, security updates, and feature enhancements) available for download at Kronos’ customer portal. Service packs for the Equipment are not installed by the Kronos Depot Repair Center but are available for download at Kronos’ customer portal, provided Customer is maintaining the Equipment under an annual Equipment Support Services plan with Kronos.; and

(B) Access to the Kronos Support Services Center for the logging of requests for assistance downloading service packs for the Equipment.

(b) *Warranty.* Kronos warrants that all service packs and firmware updates provided under this Agreement shall perform in accordance with the Kronos published specifications in all material respects for a period of ninety (90) days after download by Customer. In the event of a breach of this warranty, Customer’s exclusive remedy shall be Kronos’ repair or replacement of the deficient service pack(s) or firmware update(s), at Kronos’ option, provided that Customer’s use, installation and maintenance thereof have conformed to the specifications.

(c) *Responsibilities of Customer.* It is Customer’s responsibility to purchase and retain, at Customer’s location and at Customer’s sole risk and expense, a sufficient number of spare products ("**Spare Products**") to allow Customer to replace failed Equipment at Customer’s locations in order for Customer to continue its operations while repairs are being performed and replacement Equipment is being shipped to Customer. For each of the Depot Exchange and Depot Repair Equipment Support Services options, Customer agrees that it

shall return failed Equipment promptly as the failures occur and that it shall not hold failed Equipment and send failed Equipment to Kronos in "batches" which shall result in a longer turnaround time to Customer. In addition, Customer agrees to:

- (i) Maintain the Equipment in an environment conforming to the Kronos published specifications for such Equipment;
- (ii) Not perform self-repairs on the Equipment (i.e., replacing components) without prior written authorization from Kronos;
- (iii) De-install all failed Equipment and install all replacement Equipment in accordance with Kronos' written installation guidelines;
- (iv) Ensure that the Equipment is returned to Kronos properly packaged; and
- (v) Obtain an RMA before returning any Equipment to Kronos and place the RMA clearly and conspicuously on the outside of the shipping package. Customer may only return the specific Equipment authorized by Kronos when issuing the RMA.

(d) *Delivery.* All domestic shipments within the United States are FOB Destination to/from Customer and Kronos with the shipping party bearing all costs and risks of loss, and with title passing upon delivery to the identified destination. All international shipments from Kronos to Customer are DAP (Incoterms 2010) to the applicable Customer location, and are DDP (Incoterms 2010) to the applicable Kronos Depot Repair Center when Customer is shipping to Kronos, and with title passing upon delivery to the identified destination. Customer is responsible for all duties and taxes when sending Equipment to Kronos.

**7.5 KnowledgePass Education Subscription.** When KnowledgePass Education Subscription is purchased on an Order Form (i.e., not indicated as "Included" in the Monthly Service Fees), Kronos will provide Customer with the KnowledgePass Education Subscription for a period of one (1) year from execution of the Order Form. Kronos will send Customer a renewal invoice for renewal of the KnowledgePass Education Subscription, and the KnowledgePass Education Subscription shall renew for an additional one (1) year term if Customer pays such invoice before the end of the then-current term for the KnowledgePass Education Subscription. The KnowledgePass Education Subscription provides access to certain educational offerings provided by Kronos (the "**KnowledgePass Content**"). Customer recognizes and agrees that the KnowledgePass Content is copyrighted by Kronos. Customer is permitted to make copies of the KnowledgePass Content provided in \*pdf form solely for Customer's internal use. Customer may not disclose such KnowledgePass Content to any third party other than Customer's employees. Customer may not edit, modify, revise, amend, change, alter, customize or vary the KnowledgePass Content without the written consent of Kronos, provided that Customer may download and modify contents of training kits solely for Customer's internal use.

**7.6 Training Points.** "**Training Points**" are points which are purchased by Customer that may be redeemed for an equivalent value of instructor-led training sessions offered by Kronos. Training Points may be redeemed only during the Term but only prior to the date which is no more than twelve (12) months after the date of the Order Form pursuant to which the Training Points were acquired, after which time such Training Points shall expire and be of no value. Training Points may not be exchanged for other Kronos products or services.

**7.7 Training Courses.** When Training Points or training sessions are set forth in an SSS, the SSS applies. When Training Points or training sessions are not set forth in an SSS, as part of the Services, for each SaaS application module included in the Services purchased by Customer, Customer's employees shall be entitled to attend, in the quantity indicated, the corresponding training courses set forth at: [www.kronos.com/products/workforce-central-saas/training-guidelines.aspx](http://www.kronos.com/products/workforce-central-saas/training-guidelines.aspx) Participation in such training courses is limited to the number of seats indicated for the courses corresponding to the modules forming a part of the Services purchased by Customer.

**7.8 Technical Account Manager.** Customers purchasing a Kronos Technical Account Manager ("**TAM**") as indicated on the Order Form shall receive the services of a dedicated, but not exclusive, TAM for one production instance of the Software. Customer will designate up to two primary and three secondary backup technical contacts ("**Technical Contacts**") to be the sole contacts with the TAM. Upon request, Customer may designate a reasonable number of additional and/or backup Technical Contacts. Customer is required to place all primary Technical Contacts through Kronos training for the Applications covered under this Agreement at Customer's expense.

## **8. CUSTOMER CONTENT**

Customer shall own all Customer Content. Kronos acknowledges that all of the Customer Content is deemed to be the Confidential Information of Customer. Customer will ensure that all Customer Content conforms with the terms of this Agreement and applicable law. Kronos and its Suppliers may, but shall have no obligation to, access and monitor Customer Content from time to time to provide the Services and to ensure

compliance with this Agreement and applicable law. Customer is solely responsible for any claims related to Customer Content and for properly handling and processing notices that are sent to Customer regarding Customer Content.

## **9. EQUIPMENT**

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

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

(a) **Rental Term and Warranty Period.** The term of the Equipment rental and the “Warranty Period” for such Equipment shall run coterminously with the Term of the other Services provided under the Agreement.

(b) **Insurance.** Customer shall insure the Equipment for an amount equal to the replacement value of the Equipment for loss or damage by fire, theft, and all normal extended coverage at all times. No loss, theft or damage after shipment of the Equipment to Customer shall relieve Customer from Customer’s obligations under the Agreement.

(c) **Location/Replacement.** Customer shall not make any alterations or remove the Equipment from the place of original installation without Kronos’ prior written consent. Kronos shall have the right to enter Customer’s premises to inspect the Equipment during normal business hours. Kronos reserves the right, at its sole discretion and at no additional cost to Customer, to replace any Equipment with newer or alternative technology Equipment as long as the replacement Equipment at least provides the same level of functionality as that being replaced.

(d) **Ownership.** All Equipment shall remain the property of Kronos. All Equipment is, and at all times shall remain, separate items of personal property, notwithstanding such Equipment’s attachment to other equipment or real property. Customer shall not sell or otherwise encumber the Equipment. Customer shall furnish any assurances, written or otherwise, reasonably requested by Kronos to give full effect to the intent of terms of this paragraph (d).

(e) **Equipment Support.** Kronos shall provide to Customer the Equipment support services described in Section 7.

(f) **Return of Equipment.** Upon termination of the Agreement or the applicable Order Form, Customer shall return, within thirty (30) days of the effective date of termination and at Customer’s expense, the Equipment subject to this Section 9.1. Equipment will be returned to Kronos in the same condition as and when received, reasonable wear and tear excepted. If Customer fails to return Equipment within this time period, upon receiving an invoice from Kronos, Customer shall pay Kronos the then list price of the unreturned Equipment.

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

(a) **Title and Warranty Period.** When the Order Form indicates FOB – Shipping Point, title to the Equipment passes to Customer upon delivery to the carrier; for all other shipping terms, title passes upon delivery to Customer. The “Warranty Period” for the Equipment shall be for a period of 90 days from such delivery (unless otherwise required by law).

(b) Kronos shall provide to Customer the Equipment support services described in this Agreement if purchased separately by Customer as indicated on the applicable Order Form. If purchased, Equipment support services have a term of one (1) year commencing upon expiration of the Warranty Period. Equipment support services will be automatically extended for additional one (1) year terms on the anniversary of its commencement date (“Renewal Date”), unless either party has given the other thirty (30) days written notification of its intent not to renew. Kronos may change the annual support charges for Equipment support services effective at the end of the initial one (1) year term or effective on the Renewal Date, by giving Customer at least thirty (30) days prior written notification.

**9.3 Equipment with Finger Scan Sensor Technology.** The following terms apply only to any Equipment with finger scan sensor technology purchased by Customer from Kronos or a Kronos reseller (“Finger Scan Equipment”):

(a) To the extent that any biometric privacy laws may apply to Customer’s use of the Finger Scan Equipment, Customer warrants that they will comply with any such laws prior to commencing use of the Finger Scan Equipment and will remain in compliance at all times. Customer further warrants that, if required by law, prior to such use it will (i) obtain signed releases from employees consenting to the use of the Finger Scan Equipment for employee timekeeping purposes and (ii) issue policies made available to their employees and the public regarding its retention and destruction of the Finger Scan data. Customer further warrants that it will ensure that any releases, consents, or policies, as required by applicable law, will by their terms expressly apply to Kronos and its authorized subcontractors.

(b) Customer agrees to defend, hold harmless and indemnify Kronos, its employees, directors, parent, subsidiaries and authorized partners and subcontractors (collectively, “Kronos Indemnitees”) for any claims,

damages, penalties or fines asserted or awarded against a Kronos Indemnitee arising out of or relating to Customer's breach of any of the foregoing warranties in Section 9.3(a) above. Upon receipt of such notice, the Customer shall assume sole control of the defense and settlement of such claim; provided that (i) Kronos will be entitled to participate in the defense of such claim and to employ counsel at its own expense to assist in the handling of such claim, on a monitoring and a non-controlling basis; (ii) Customer shall not settle any claim on any terms or in any manner that adversely affects the rights of Kronos without its prior written consent; and (iii) Kronos will provide reasonable cooperation and assistance at Customer's sole cost and expense.

## **10. SERVICE LEVEL AGREEMENT**

Kronos shall provide the service levels and associated credits, when applicable, in accordance with the Service Level Agreement attached hereto as Exhibit A and which is hereby incorporated herein by reference. CUSTOMER'S SOLE AND EXCLUSIVE REMEDY IN THE EVENT OF ANY SERVICE OUTAGE OR INTERRUPTION OF THE SERVICES OR FAILURE BY KRONOS TO MEET THE TERMS OF THE APPLICABLE SERVICE LEVEL AGREEMENT, SHALL BE THE REMEDIES PROVIDED IN EXHIBIT A.

## **11. LIMITED WARRANTY; DISCLAIMERS OF WARRANTY**

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

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

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

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

EXCEPT AS PROVIDED FOR IN THIS SECTION 11, KRONOS HEREBY DISCLAIMS ALL WARRANTIES, CONDITIONS, GUARANTIES AND REPRESENTATIONS RELATING TO THE SERVICES, EXPRESS OR IMPLIED, ORAL OR IN WRITING, INCLUDING WITHOUT LIMITATION THE IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, TITLE AND NON-INFRINGEMENT, AND WHETHER OR NOT ARISING THROUGH A COURSE OF DEALING, INCLUDING, WITHOUT LIMITATION, ANY WARRANTY THAT MAY OTHERWISE ARISE PURSUANT TO ANY STATUTE, CODE, COMMON LAW OR JUDICIAL DECISION. THE SERVICES ARE NOT GUARANTEED TO BE ERROR-FREE OR UNINTERRUPTED. EXCEPT AS SPECIFICALLY PROVIDED IN THIS AGREEMENT, KRONOS MAKES NO WARRANTIES OR REPRESENTATIONS CONCERNING THE COMPATIBILITY OF THE SERVICES, THE SAAS APPLICATIONS OR THE EQUIPMENT NOR ANY RESULTS TO BE ACHIEVED THEREFROM.

## **12. DATA SECURITY AND PRIVACY**

**12.1** As part of the Services, Kronos shall provide those administrative, physical, and technical safeguards for protection of the security, confidentiality and integrity of Customer data as described at: <http://www.kronos.com/products/workforce-central-cloud/cloud-guidelines.aspx>

**12.2** As between Customer and Kronos, all Personally Identifiable Data is Customer's Confidential



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

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

**12.4** Kronos will notify Customer in accordance with applicable laws upon becoming aware of an unauthorized access of Customer Content.

**12.5** Customer agrees that Kronos may use sub-processors to fulfill its contractual obligations under the Agreement. The list of sub-processors that are engaged by Kronos to carry out processing activities on Customer Content on behalf of Customer can be found at: <https://www.kronos.com/workforce-central-cloud/subprocessors>

### **13. INDEMNIFICATION**

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

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

**13.3** Customer shall defend Kronos, its Suppliers and their respective directors, officers, employees, agents and independent contractors (collectively, the "**Kronos Indemnified Parties**") from and against any and all Claims, and will indemnify and hold harmless the Kronos Indemnified Parties against liabilities, obligations, costs or expenses (including without limitation reasonable attorneys' fees), arising out of: (a) employment-related claims arising out of Customer's configuration of the Services; (b) Customer's modification or combination of the Services with other services, software or equipment not furnished by Kronos, provided that such Customer modification or combination is the cause of such infringement and was not authorized by Kronos; or, (c) a claim that the Customer Content infringes in any manner any intellectual property right of any third party, or any of the Customer Content contains any material or information that is obscene, defamatory, libelous, or slanderous violates any person's right of publicity, privacy or personality, or has otherwise caused or resulted in any tort, injury, damage or harm to any other person. Customer will have sole control of the defense of any such action and all negotiations for its settlement or compromise. Kronos

will cooperate fully at Customer's expense with Customer in the defense, settlement or compromise of any such action.

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

#### **14. LIMITATION OF LIABILITY**

**14.1** EXCEPT AS SPECIFICALLY PROVIDED IN THIS AGREEMENT, KRONOS AND ITS SUPPLIERS WILL NOT BE LIABLE FOR ANY DAMAGES OR INJURIES CAUSED BY THE USE OF THE SERVICES OR BY ANY ERRORS, DELAYS, INTERRUPTIONS IN TRANSMISSION, OR FAILURES OF THE SERVICES.

**14.2** EXCEPT FOR KRONOS' INDEMNIFICATION OBLIGATIONS SET FORTH IN SECTION 13 ABOVE, THE TOTAL AGGREGATE LIABILITY OF KRONOS OR KRONOS' SUPPLIERS TO CUSTOMER AND/OR ANY THIRD PARTY IN CONNECTION WITH THE AGREEMENT SHALL BE LIMITED TO DIRECT DAMAGES PROVEN BY CUSTOMER, SUCH DIRECT DAMAGES NOT TO EXCEED AN AMOUNT EQUAL TO THE TOTAL NET PAYMENTS RECEIVED BY KRONOS FOR THE SERVICES IN THE TWELVE (12) MONTH PERIOD IMMEDIATELY PRECEDING THE DATE IN WHICH SUCH CLAIM ARISES.

**14.3** EXCEPT FOR KRONOS' INDEMNIFICATION OBLIGATIONS SET FORTH IN SECTION 13 ABOVE, IN NO EVENT SHALL KRONOS OR KRONOS' SUPPLIERS, THEIR RESPECTIVE AFFILIATES, SERVICE PROVIDERS, OR AGENTS BE LIABLE TO CUSTOMER OR ANY THIRD PARTY FOR ANY INCIDENTAL, SPECIAL, PUNITIVE, CONSEQUENTIAL OR OTHER INDIRECT DAMAGES OR FOR ANY LOST OR IMPUTED PROFITS OR REVENUES, LOST DATA OR COST OF PROCUREMENT OF SUBSTITUTE SERVICES RESULTING FROM DELAYS, NONDELIVERIES, MISDELIVERIES OR SERVICES INTERRUPTION, HOWEVER CAUSED, ARISING FROM OR RELATED TO THE SERVICES OR THE AGREEMENT, REGARDLESS OF THE LEGAL THEORY UNDER WHICH SUCH LIABILITY IS ASSERTED, WHETHER BREACH OF WARRANTY, INDEMNIFICATION, NEGLIGENCE, STRICT LIABILITY OR OTHERWISE, AND WHETHER LIABILITY IS ASSERTED IN CONTRACT, TORT OR OTHERWISE, AND REGARDLESS OF WHETHER KRONOS OR SUPPLIER HAS BEEN ADVISED OF THE POSSIBILITY OF ANY SUCH LIABILITY, LOSS OR DAMAGE.

**14.4** EXCEPT WITH RESPECT TO LIABILITY ARISING FROM KRONOS' GROSS NEGLIGENCE OR WILLFUL MISCONDUCT, KRONOS DISCLAIMS ANY AND ALL LIABILITY, INCLUDING WITHOUT LIMITATION LIABILITY RELATED TO A BREACH OF DATA SECURITY AND CONFIDENTIALITY OBLIGATIONS, RESULTING FROM ANY EXTERNALLY INTRODUCED HARMFUL PROGRAM (INCLUDING WITHOUT LIMITATION VIRUSES, TROJAN HORSES, AND WORMS), CUSTOMER'S CONTENT OR APPLICATIONS, THIRD PARTY UNAUTHORIZED ACCESS OF EQUIPMENT, SAAS APPLICATIONS OR SYSTEMS, OR MACHINE ERROR.

#### **15. CONFIDENTIAL INFORMATION**

**15.1** Each Party shall protect the Confidential Information of the other Party with at least the same degree of care and confidentiality, but not less than a reasonable standard of care, which such Party utilizes for its own information of similar character that it does not wish disclosed to the public. Neither Party shall disclose to third parties the other Party's Confidential Information, or use it for any purpose not explicitly authorized herein, without the prior written consent of the other Party. The obligation of confidentiality shall survive for five (5) years after the return of such Confidential Information to the disclosing party or five (5) years after the expiration or termination of the Agreement, whichever is later, as applicable. Notwithstanding anything herein to the contrary, each party acknowledges and agrees that all trade secrets shall be safeguarded by a receiving party as required by this Agreement for so long as such information remains a trade secret pursuant to applicable law.

**15.2** Notwithstanding the foregoing, a party may disclose Confidential Information to the extent required: (a) to any subsidiary or affiliate of such Party, or (b) to any consultants, contractors, and counsel who have a

need to know in connection with the Agreement and have executed a non-disclosure agreement with obligations at least as stringent as this Section 15, or (c) by law, or by a court or governmental agency, or if necessary in any proceeding to establish rights or obligations under the Agreement; provided, the receiving party shall, unless legally prohibited, provide the disclosing party with reasonable prior written notice sufficient to permit the disclosing party an opportunity to contest such disclosure. If a party commits, or threatens to commit, a breach of this Section 15, the other party shall have the right to seek injunctive relief from a court of competent jurisdiction.

**15.3** This Agreement imposes no obligation upon either Party with respect to the other Party's Confidential Information which the receiving Party can establish: (a) is or becomes generally known through no breach of the Agreement by the receiving party, or (b) is already known or is independently developed by the receiving party without use of or reference to the Confidential Information.

## **16. EXPORT**

Customer understands that any export of the Equipment may require an export license and Customer assumes full responsibility for obtaining such license. Customer must obtain Kronos' prior written consent before exporting the Equipment.

## **17. GENERAL**

**17.1** This Agreement shall be governed by and construed in accordance with the laws of the state, province and country in which Kronos is incorporated without regard to any conflict of law provisions. The parties waive the application of the United Nations Commission on International Trade Law and United Nations Convention on Contracts for the International Sale of Goods as to the interpretation or enforcement of the Agreement and waive and "opt out" of the Uniform Computer Information Transactions Act (UCITA), or such other similar law.

**17.2** The invalidity or illegality of any provision of the Agreement shall not affect the validity of any other provision. The parties intend for the remaining unaffected provisions to remain in full force and effect.

**17.3** Customer shall not assign the Agreement or the rights to use the Services without the prior written consent of Kronos and any purported assignment, without such consent, shall be void.

**17.4** Neither Party shall be responsible for any failure to perform or delay in performing any of its obligations under this Agreement (other than a failure to comply with payment obligations) where and to the extent that such failure or delay results from an unforeseeable event beyond a party's reasonable control, including but not limited to, acts of war; acts of nature; earthquake; flood; embargo; riot; sabotage; labor shortage or dispute; changes in government codes, ordinances, laws, rules, regulations or restrictions; failure of the Internet; terrorist acts; failure of data, products or services controlled by any third party, including the providers of communications or network services; utility power failure; material shortages or unavailability or other delay in delivery not resulting from the responsible party's failure to timely place orders therefor, or lack of or delay in transportation (each a "**Force Majeure Event**").

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

**17.6** No action, regardless of form, may be brought by either party more than two (2) years after the cause of action has arisen.

**17.7** The section headings herein are provided for convenience only and have no substantive effect on the construction of the Agreement.

**17.8** The parties agree that if the Agreement is accepted by the parties and that acceptance is delivered via fax or electronically delivered via email or the internet it shall constitute a valid and enforceable agreement.

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

**CUSTOMER AGREES TO THESE TERMS AND CONDITIONS FOR ALL ORDER FORMS FOR THE SERVICES. THE INDIVIDUAL ACCEPTING THESE TERMS AND CONDITIONS ON BEHALF OF**

CUSTOMER REPRESENTS THAT HE/SHE HAS THE AUTHORITY TO CONTRACTUALLY BIND CUSTOMER.

Customer
Dated:
By:
Name:
Title:

Kronos Incorporated
Dated:
By:
Name:
Title:



## EXHIBIT A

### SERVICE LEVEL AGREEMENT (SLA)

**Service Level Agreement:** The Services, in a production environment, are provided with the service levels described in this Exhibit A. SLAs are only applicable to production environments. SLAs will be available upon Customer's signature of Kronos' Go Live Acceptance Form for Customer's production environment.

#### 99.75% Application Availability

**Actual Application Availability %** = (Monthly Minutes (MM) minus Total Minutes Not Available (TM)) multiplied by 100) and divided by Monthly Minutes (MM), but not including Excluded Events

**Service Credit Calculation:** An Outage will be deemed to commence when the Applications are unavailable to Customer in Customer's production environment hosted by Kronos and end when Kronos has restored availability of the Applications. Failure to meet the 99.75% Application Availability SLA, other than for reasons due to an Excluded Event, will entitle Customer to a credit as follows:

Actual Application Availability % (as measured in a calendar month)	Service Credit to be applied to Customer's monthly invoice for the affected month
<99.75% to 98.75%	10%
<98.75% to 98.25%	15%
<98.25% to 97.75%	25%
<97.75 to 96.75%	35%
<96.75	50%

**"Outage"** means the accumulated time, measured in minutes, during which Customer is unable to access the Applications for reasons other than an Excluded Event.

**"Excluded Event"** means any event that results in an Outage and is caused by (a) the acts or omissions of Customer, its employees, customers, contractors or agents; (b) the failure or malfunction of equipment, applications or systems not owned or controlled by Kronos, including without limitation Customer Content, failures or malfunctions resulting from circuits provided by Customer, any inconsistencies or changes in Customer's source environment, including either intentional or accidental connections or disconnections to the environment; (c) Force Majeure events; (d) expected downtime during the Maintenance Periods described below; (e) any suspension of the Services in accordance with the terms of the Agreement to which this Exhibit A is attached; (f) the unavailability of required Customer personnel, including as a result of failure to provide Kronos with accurate, current contact information; or (g) using an Application in a manner inconsistent with the Documentation for such Application.

**"Maintenance Period"** means scheduled maintenance periods established by Kronos to maintain and update the Services, when downtime may be necessary, as further described below. The Maintenance Period is used for purposes of the Service Credit Calculation; Kronos continuously maintains the production environment on a 24x7 basis to reduce disruptions.

#### Customer Specific Maintenance Period

- Customer will choose one of the following time zones for their Maintenance Period:
  - United States Eastern Standard Time,
  - GMT/UTC,
  - Central European Time (CET) or
  - Australian Eastern Standard Time (AEST).
- Customer will choose one of the following days of the week for their Maintenance Period:

Saturday, Sunday, Wednesday or Thursday.

3. Kronos will use up to six (6) hours in any two (2) consecutive rolling months (specifically: January and February; March and April; May and June; July and August; September and October; November and December) to perform Customer Specific Maintenance, excluding any customer requested Application updates. Downtime in excess of these six (6) hours will be deemed to be an Outage.
4. Customer Specific Maintenance will occur between 12am-6am during Customer's selected time zone.
5. Excluding any customer requested Application updates, Kronos will provide notice for planned downtime via an email notice to the primary Customer contact at least seven (7) days in advance of any known downtime so planning can be facilitated by Customer.
6. Customer Specific Maintenance Windows also include additional maintenance windows mutually agreed upon by Customer and Kronos.
7. In absence of instruction from Customer, Kronos will by default perform Maintenance in the time zone where the Data Center is located.

#### **Non-Customer Specific Maintenance Period**

Kronos anticipates non-Customer Specific Maintenance to be performed with no or little (less than three hours per month) Customer downtime. If for any reason non-Customer Specific Maintenance requires downtime, Kronos will provide as much notice as reasonably possible of the expected window in which this will occur. Downtime in excess of three (3) hours per month for Non-Customer Specific Maintenance will be deemed to be an Outage.

**"Monthly Minutes (MM)"** means the total time, measured in minutes, of a calendar month commencing at 12:00 am of the first day of such calendar month and ending at 11:59 pm of the last day of such calendar month.

**"Total Minutes Not Available (TM)"** means the total number of minutes during the calendar month that the Services are unavailable as the result of an Outage.

**Reporting and Claims Process:** Service Credits will not be provided if: (a) Customer is in breach or default under the Agreement at the time the Outage occurred; or (b) the Outage results from an Excluded Event.

Kronos will provide Customer with an Application Availability report on a monthly basis for each prior calendar month. Within sixty (60) days of receipt of such report, Customer must request the applicable Service Credit by written notice to Kronos. Customer waives any right to Service Credits not requested within this time period. All performance calculations and applicable Service Credits are based on Kronos records and data unless Customer can provide Kronos with clear and convincing evidence to the contrary.

The Service Level Agreements in this Exhibit, and the related Service Credits, apply on a per production environment basis. For the avoidance of doubt, Outages in one production environment may not be added to Outages in any other production environment for purposes of calculating Service Credits.

Customer acknowledges that Kronos manages its network traffic in part on the basis of Customer's utilization of the Services and that changes in such utilization may impact Kronos' ability to manage network traffic. Therefore, notwithstanding anything else to the contrary, if Customer significantly changes its utilization of the Services than what is contracted with Kronos and such change creates a material and adverse impact on the traffic balance of the Kronos network, as reasonably determined by Kronos, the parties agree to cooperate, in good faith, to resolve the issue.



UKG Inc.  
SaaS Agreement

This SaaS Agreement (the "Agreement"), effective as of the date shown in item # 2 below, is entered into by and between UKG Inc. ("UKG"), a Delaware corporation with offices at 2000 Ultimate Way, Weston, FL 33326 and the organization specified as Customer in item # 1 below (the "Customer") each individually referred to as a "Party" and collectively referred to as the "Parties".

UKG is engaged in the business of providing software, support and Software as a Service ("SaaS") type services, and Customer wishes to use the UltiPro Software and services as set forth in Exhibit A on a subscription basis.

In consideration of the covenants and agreements contained herein and in the Exhibits, Customer and UKG hereby agree as follows:

1. Customer:

Organization Name: Cass County Government

Headquarters Address: 211 S. 9<sup>th</sup> S.

City: Fargo State: ND Zip: 58103

Phone: \_\_\_\_\_ Fax: \_\_\_\_\_

Contact Person Name: \_\_\_\_\_ Email: \_\_\_\_\_

Title: \_\_\_\_\_

Legal Name: Cass County Government

State of Incorporation: \_\_\_\_\_

2. Effective Date of Agreement: February 5, 2021

3. Exhibits: The following Exhibits which are referred to herein and annexed hereto are incorporated into and made part of this Agreement (collectively, the "Exhibits"):

- Exhibit A UltiPro Software and Services
- Exhibit B Pricing and Payment Terms
- Exhibit C Terms & Conditions
- Exhibit D US Payment Services
- Exhibit E UltiPro Launch Overview
- Exhibit F Service Level Agreement
- Exhibit G Data Security and Privacy

IN WITNESS WHEREOF, the Parties hereby confirm and agree that this Agreement is effective at the date set forth above and that all terms and conditions have been agreed to:

Cass County Government

UKG Inc.

By:

By:

Name:

Name:

Title:

Title:

Date:

Date:

**Exhibit A**  
**UltiPro Software and Services**

The Subscription Offering includes the following:

**1. UltiPro Software modules:**

**UltiPro Core**

- Human resource and payroll administration, employee self-service, and manager self-service.
- Human resource record keeping only for Customer's non-United States/non-Canadian) persons who are not compensated or paid using the UltiPro Software or services but are active in the UltiPro Software for purposes of tracking demographic information.
- Payment Services and Affordable Care Act ("ACA") Services pursuant to Exhibit D attached hereto.
- UltiPro Single Sign On ("SSO") Services.
- Career Development, United States (U.S.) Model My Pay, Document Acknowledgment Tool, UltiPro Import Tool, and Benefits Enrollment—benefits administration, open enrollment, and life events.
- Unlimited UltiPro portal users.
- Business Intelligence ("BI") Reporting Tools:
  - BI Administrators: Two (2) named users designated as UltiPro Report Administrators with rights to create and manage BI content.
  - BI Authors: Eight (8) named users designated as UltiPro Authors with rights to create BI content.
  - BI Consumers: Fifty (50) named users designated as UltiPro Consumers with rights to access the business intelligence portal, and view and execute BI content. This role does not allow the user to create BI content.
  - BI Recipients: All employees are eligible to view saved or static report content and alerts generated from UltiPro BI that are made available outside of the business intelligence portal or distributed through email.
  - Customer acknowledges that the Business Intelligence Reporting Tools are intended for use with the UltiPro Software modules only and in accordance with the terms and conditions of this Agreement.

**Additional UltiPro features/modules as listed below are included:**

**UltiPro Talent Acquisition (UltiPro Recruiting and UltiPro Onboarding)**

**UltiPro Performance Management**

**Workforce Ready Time**

**2. UltiPro Product Support Services – as more fully set forth in Exhibit C**

**3. SaaS Services – as more fully set forth in Exhibit C**



**Exhibit B**  
**Pricing and Payment Terms**

1. **Subscription Fees** - (includes UltiPro Software, UltiPro Product Support Services, and SaaS Services)

<b>Functionality / Employee Type</b>	<b>Monthly Subscription Fee</b>	<b>Subscription Fee Commencement Date</b>
Compensated Employees	\$24.23 per Compensated Employee per month (\$20.40 is attributable to UltiPro Core and Workforce Ready Time; \$2.55 is attributable to UltiPro Talent Acquisition; and \$1.28 is attributable to UltiPro Performance Management)	Commencement Date (as defined in Exhibit C)
Seasonal Employees	\$16.15 per Seasonal Employee per month (\$13.60 is attributable to UltiPro Core (excluding benefits enrollment, ACA Services and Payment Services) and Workforce Ready Time; and \$2.55 is attributable to UltiPro Talent Acquisition)	Commencement Date
Election Workers	\$9.35 per Election Worker per month	Commencement Date
HR Only Employees	\$4.00 per HR Only Employee per month	Commencement Date
Terminated Web Employees	\$1.00 per Terminated Web Employee per month	Commencement Date

The Subscription Offering is granted to the Customer for use by the Customer for five hundred and fifty (550) Compensated Employees, sixty (60) Seasonal Employees and two hundred and fifty (250) Election Workers. The Subscription Fee above is quoted on a Per Employee Per Month (herein referred to as "PEPM") basis. The computed PEPM monthly subscription amount (number of Compensated Employees, Seasonal Employees, Election Workers, HR Only Employees, and Terminated Web Employees multiplied by the Subscription Fee) may increase or decrease if the number of Compensated Employees, Seasonal Employees, Election Workers, HR Only Employees, or Terminated Web Employees increases or decreases but in no event shall the Subscription Fee be calculated on less than five hundred (500) Compensated Employees.

UKG may utilize a script, program, sequence of instructions or functional equivalent to determine an accurate number of Compensated Employees, Seasonal Employees, Election Workers, HR Only Employees, and Terminated Web Employees (all as defined in Exhibit C). The results of, and information obtained from, the electronic analysis shall be subject to the Confidential Information section outlined in the Terms and Conditions to this Agreement.

Customer acknowledges that it shall use the UltiPro Software for payroll processing and human resource recordkeeping activities.

Commencing on the Effective Date of this Agreement and continuing for a period of twelve (12) months from the Commencement Date, UKG agrees not to increase the Subscription Fee. Any increase thereafter shall not exceed five percent (5%) per annum.

2. **UltiPro Launch Fees – \$62,500.00 Fixed Fee (not to include travel and expenses)**

UltiPro Launch shall be provided to Customer for only the services as set forth in the UKG UltiPro Launch Overview attached hereto as Exhibit E.

UltiPro Launch services outside of the scope of Exhibit E shall be provided for a fee that shall be quoted to Customer. Said services will not be provided without a service request or work order executed by both Parties.

In addition, Customer shall be invoiced an additional UltiPro Launch fee at the rate of \$185.00 per Compensated Employee for each Compensated Employee, \$120.00 per Seasonal Employee for each Seasonal Employee, \$70.00 per Election Worker for each Election Worker and if applicable \$10.00 per HR Only Employee for each HR Only Employee in existence as of the First Live Date that exceeds 110% of the number of Compensated Employees, Seasonal Employees, Election Workers or HR Only Employees as set forth in section 1. of this Exhibit for which the Subscription Offering is granted. For clarification purposes, this additional UltiPro Launch fee if applicable shall only be charged to Customer as of the First Live Date and Customer shall not be charged for any additional UltiPro Launch fees subsequent to that date.

3. **Training Services** – Included at no charge for the term of the Agreement.

Web-based instructor led training and eLearning courseware is available for unlimited use at no charge.



**4. Travel and Expenses**

In the event that it is required of UKG to perform services on Customer's premises, Customer will pay UKG's out-of-pocket travel and expenses incurred as a result of UKG's performance of services in accordance with the UKG standard travel and expense policy. UKG agrees to use reasonable efforts to limit travel and lodging expenses by using coach air fare, booking in advance when available, staying at hotels identified by the Customer offering corporate rates, and sharing rental cars where practical.

**5. HR360 (included as part of UltiPro Core, as set forth in Exhibit A, at no additional charge)**

Customer shall be provided with access to an online human resource and benefits library containing human resource content and tools for two (2) users (currently powered by HR360). Additional HR360 user access may be purchased for a one-time fee \$100.00 per user. Warranties, if any, for the third party services shall be provided directly by the third party provider to Customer and Customer acknowledges that neither the services nor any matters relating to the services are the responsibility of UKG.

**6. Payment Terms**

**A. Subscription Fee**

500 Compensated Employees x \$20.40 = \$10,200.00 x 3 months = \$30,600.00

The Subscription Fees are due quarterly and invoiced thirty (30) days in advance of the quarter. The amount due on the Effective Date of this Agreement is payment for the quarter commencing on the Commencement Date

**\$30,600.00**

**B. UltiPro Launch Fees-\$62,500.00**

(i) The amount due on the Effective Date of this Agreement  
(ii) The amount due on January 1, 2022

**\$47,500.00**  
**\$15,000.00**

**C.** Customer agrees to pay UKG for all Subscription Fees, UltiPro Launch fees, consulting services fees or other services plus applicable federal, state and local taxes. All undisputed invoices and expense reimbursements are due within thirty (30) days of Customer's receipt of invoice. All disputes regarding invoices shall be made by Customer within 30 days of Customer's receipt of invoice. All undisputed invoices and expense reimbursements not paid within thirty (30) days after the date such amounts are due and payable shall bear interest at a rate of one and one half percent (1.5%) per month.

Payment may be sent via ACH:

Wells Fargo Bank, N.A.  
420 Montgomery Street  
San Francisco, CA 94104  
Beneficiary Name: The Ultimate Software Group, Inc. a/k/a UKG Inc.

Payment may be mailed to:

The Ultimate Software Group, Inc. a/k/a UKG Inc.  
PO BOX 930953  
Atlanta, GA 31193-0953

## Exhibit C Terms & Conditions

### 1. Definitions

**Commencement Date** - Eight (8) months from the Effective Date of this Agreement.

**Compensated Employees** - Persons receiving a check, advice of deposit or otherwise compensated by the Customer using the UltiPro Software.

**Customer Data** – all non-public materials, data and information provided by Customer to UKG, including without limitation, the Customer data and Customer's Confidential Information, and all intellectual property rights thereto.

**Effective Date** - The date as denoted on Page 1, Section 2 of the SaaS Agreement.

**First Live Date** - The first date when payroll processing commences for a Compensated Employee, Election Worker or Seasonal Employee to receive a check, advice of deposit or other compensation from the UltiPro Software or the UltiPro Software is used for human resource recordkeeping for an HR Only Employee.

**HR Only Employees** - Persons that do not have a terminated status in the UltiPro Software and are not Compensated Employees, Seasonal Employees or Election Workers.

**Initial Term** - The term from the Effective Date of this Agreement and continuing for a period of sixty (60) months from the Commencement Date.

**SaaS Services** - Consist of providing the necessary network infrastructure, computer hardware, third party software, database administration services and connectivity point at the SaaS Site.

**SaaS Site** - Location for the necessary software and hardware to provide the SaaS Services.

**Subscription Offering** - The UltiPro Software, support and SaaS Services on a subscription basis as set forth in Exhibit A.

**Terminated Web Employees** - Persons with a status of terminated who have access to the UltiPro portal at any time during a month.

**UltiPro Software** - The UltiPro Software modules and functionality as set forth in Exhibit A.

**U.S. Payment Services** - As set forth in Exhibit D.

**Election Workers** - Persons receiving a check, advice of deposit or otherwise compensated by the Customer using the UltiPro Software and have access to UltiPro Core (excluding benefits enrollment, ACA Services and Payment Services only). The Parties will identify and designate the component company and/or pay group attributable to such persons.

**Seasonal Employees** - Persons receiving a check, advice of deposit or otherwise compensated by the Customer using the UltiPro Software and have access to UltiPro Core (excluding benefits enrollment, ACA Services and Payment Services), Workforce Ready Time and UltiPro Talent Acquisition only. The Parties will identify and designate the component company and/or pay group attributable to such persons.

### 2. Term and Termination

This Agreement shall commence on the Effective Date as set forth above and shall continue in effect from that date for the duration of the Initial Term. Customer may not terminate the Agreement during this Initial Term except as set forth below. This Agreement shall automatically renew for successive renewal terms of one (1) year each. The Customer may terminate this Agreement after the Initial Term by serving written notice of its intention at least ninety (90) days prior to the date of next such renewal period. In the event of termination, UKG shall be entitled to compensation for any amounts due to it including, but not limited to, compensation for hours worked as well as outstanding expenses. Either party shall have the right to terminate this Agreement upon thirty (30) days prior written notice, which shall contain reasonably sufficient detail regarding the alleged breach, upon any breach hereof by the other party, provided the party in breach shall not have cured such breach within thirty (30) days of receipt of notice. Upon termination of this Agreement, all rights granted to Customer will terminate and revert to UKG.

Upon Customer's written request, within five (5) business days of termination of this Agreement, UKG shall provide to Customer a copy of Customer's UltiPro Core data in a standard structured query language "SQL" server format via secured file transfer protocol "SFTP" server or similar method at a cost of \$500.00 to be billed as incurred.

In addition, upon expiration or termination of this Agreement for any reason, UKG shall completely destroy or erase all copies of Customer's Confidential Information in UKG's possession in any form, including but not limited to electronic, hard copy or other memory device except for (i) Customer's Confidential Information contained in any backup which shall be retained for a term of up to 90 days from the date of termination, or (ii) as otherwise set forth in this Agreement.



### **3. Proprietary Protection and Restrictions**

UKG has and shall have sole and exclusive ownership of all rights, title, and interest in the UltiPro Software and SaaS Services and all modifications and enhancements thereof (including ownership of all trade secrets copyrights, and intellectual property rights pertaining thereto). Customer is only permitted to use the UltiPro Software, or any services provided by UKG, for its own employees and is not permitted to provide service bureau, data processing, time sharing services or to otherwise provide payroll or human resource record keeping for third parties.

To the extent that any third party software is provided herein, Customer agrees that it shall only use such software in conjunction with the UltiPro Software and SaaS Services. Customer acknowledges that it is prohibited from engaging in, causing, assisting or permitting, the reverse engineering, disassembly, translation, adaption or recompilation of the UltiPro Software, SaaS Services, and any third party software and that it shall not attempt to obtain or create the source code from the object code of the UltiPro Software, SaaS Services, and third party software provided to it pursuant to the Agreement, unless explicitly permitted by applicable and mandatory law.

Customer acknowledges that it will not use the UltiPro Software and SaaS Services or any third party software for any illegal purpose or activity. Customer agrees to comply with all applicable laws, rules, and regulations affecting its business.

UKG hereby represents and warrants to Customer that the services provided will not violate the patent, copyright, or other proprietary rights of any third party, and that UKG will defend, indemnify and hold harmless Customer from any claim of copyright, patent or similar infringement provided Customer notifies UKG in writing immediately upon notice of such claim and cooperates fully in the defense of such claim. UKG shall have full and exclusive control of any such defense and settlement of the claim.

### **4. Ownership and Use of UKG Intellectual Property**

During the term of this Agreement, as a result of UKG's efforts under this Agreement, UKG may generate ideas, inventions, suggestions, copyrightable materials or other information ("UKG Intellectual Property"). UKG shall have title to such UKG Intellectual Property. To the extent such UKG Intellectual Property is incorporated into work product to be produced by UKG and delivered to Customer under this Agreement, UKG grants and Customer hereby accepts a royalty-free, non-exclusive license to use all such UKG Intellectual Property as incorporated into the UKG work product.

### **5. Customer Data**

Customer shall retain ownership of the entire right, title and interest in and to Customer Data. No ownership rights in such materials, data and information are transferred to UKG.

### **6. Protection of Customer Data**

UKG shall maintain reasonable administrative, physical, and technical safeguards for protection of the security, confidentiality and integrity of Customer Data as more fully set forth in Exhibit G entitled Data Security and Privacy.

### **7. UltiPro Product Support Services**

UKG will provide an 877# prior to the Commencement Date that will allow Customer access to the UltiPro Product Support Services. Customer's designated support representatives will call the 877# for any support issue as needed during the hours of 8:30am – 5:30pm Customer's Local time. After the hours of 5:30pm Customer's Local time, Customer shall utilize the rapid response 800 number to access and report any support related issue or the After Hours Support Hotline, as set forth below.

UltiPro Product Support Services is provided as follows via hours of required support:

Named Account Manager: 8:30AM - 5:30PM Customer's Local Time.

Rapid Response: 6:30AM – 1:30AM Eastern Standard Time

After Hours Support Hotline: 1:30AM – 6:30AM Eastern Standard Time

UKG shall maintain a national customer support center ("NCSC") capable of receiving telephone or Internet transmission reports of software irregularities. Customer may report UltiPro Software or operator problems and seek assistance in the use of the Ulti Pro Software. UKG will maintain a product-trained and knowledgeable staff capable of rendering the services set forth in this Agreement. UKG will use all reasonable diligence to correct verifiable and reproducible errors when reported to the NCSC.

Product Support Services also (i) entitles Customer to ongoing customer phone, email, and online support as needed with Customer's account manager available between normal business hours (8:30 am to 5:30 pm Customer's –time zone - Monday through Friday) and (ii) includes periodic enhancements and modifications to the UltiPro Software furnished by UKG, as well as federal, state and local tax payroll updates.

Customer support is available 24 hours a day 7 days a week at no additional charge.

Performance of UltiPro Product Support Services or other services is contingent upon all undisputed payments, due to UKG pursuant to this Agreement or any other agreement between the Parties, being paid in a timely manner.

### **8. Sale, Assignment, and Delay**

Customer's rights may not be transferred, leased or assigned except in its entirety to (1) a successor in interest of Customer's entire business which assumes the obligations of this Agreement (provided the successor is, after the transfer or assignment, similar in size and nature to Customer) or (2) any other party who is reasonably acceptable to UKG, who enters into a substitute version of this Agreement.

UKG shall not be liable for any delays in the performance of any of its obligations hereunder due to causes beyond its reasonable control, including, but not limited to, fire, strike, war, riots, acts of civil or military, judicial actions, acts of God, or any other casualty or natural calamity.



## **9. Confidential Information**

Except as otherwise permitted under this Agreement, UKG and Customer will not knowingly disclose to any third party, or make use of any Confidential Information during the term of this Agreement and in perpetuity. For purposes of this Agreement, "Confidential Information" will mean non-public information of a Party to this Agreement. In addition to the foregoing, the Parties agree to not, at any time, during or at any time after the term of this Agreement, in any fashion, form or manner, either directly or indirectly, divulge, disclose or communicate to any person, firm, or corporation in any manner whatsoever any information of any kind, nature or description concerning any matters relating to each other's business, including, but not limited to, this Agreement, names of employees, Customer companies, its manner of operation, the nature, or descriptions of, its plans, processes or data of any other kind. Without regard to whether any or all of the foregoing matters would be confidential, the Parties hereto stipulate that as between them, the same are important, material and confidential. This Agreement shall not be deemed to prevent the disclosures of information after having received prior consent from the other Party, disclosures required by applicable law or a binding regulation, rule or order of a court, governmental or regulatory body having competent authority and jurisdiction over same, or disclosures to the parties' respective attorneys and accountants for legal and accounting advice. This section does not apply to information in the public domain at the time of disclosure, or which is or becomes publicly available without breach of the Agreement, or which is known to the Parties receiving it at the time of disclosure, or which is received from a third party who has not breached any agreement with the Party claiming confidentiality, or which is disclosed by the Party claiming confidentiality to third parties on a non-restricted basis. Notwithstanding anything to the contrary in the Agreement, although UKG remains responsible for the confidentiality obligations as set forth in the Agreement and for the acts of any service provider and/or sub-processor UKG retains in this regard, UKG reserves the right to have Confidential Information and/or Customer Data accessed by our service providers, sub-processors and/or employees, some of whom may be outside the United States or Canada for the sole purpose of performing or upgrading services for the Customer.

Customer agrees that UKG may use sub-processors to fulfill its contractual obligations under the Agreement. The list of sub-processors that are currently engaged by UKG to carry out processing activities on Customer Data on behalf of Customer can be made available to Customer upon Customer's written request.

Customer hereby authorizes the engagement as sub-processors of all entities set forth in such list. Customer further generally authorizes the engagement as sub-processors of any other third parties engaged by UKG for such purposes. The foregoing authorizations will constitute Customer's prior written consent to the subcontracting by UKG of the processing of Customer Data if such consent is required under applicable law.

At least 30 days before any new sub-processor will carry out processing activities on Customer Data on behalf of Customer, UKG will update the applicable list and provide Customer with a mechanism to obtain notice of that update. Customer may object, on reasonable data protection grounds, to any such new sub-processor by providing notice of such objection to UKG within ten (10) days of Customer's receipt of notification of the addition of the new sub-processor by UKG.

When engaging any sub-processor UKG will enter into a written agreement with the sub-processor and such written agreement with the sub-processor will require the sub-processor to (i) have appropriate technical and organisational measures to meet the requirements of applicable data protection laws, (ii) be bound to confidentiality obligations at least as restrictive as those contained in this section of the Agreement, and (iii) UKG will remain responsible for the performance of the sub-processor's processing of Customer Data and compliance with applicable data protection laws.

## **10. STANDARD OF CARE, LIMITED WARRANTY**

UKG WARRANTS THAT THE SAAS SERVICES RENDERED WILL CAUSE THE ULTIPTRO SOFTWARE MODULES TO SUBSTANTIALLY PERFORM IN ACCORDANCE WITH THE ULTIPTRO SOFTWARE ON LINE DOCUMENTATION. UKG WILL MAKE ALL NECESSARY CORRECTIONS TO FULFILL THE FOREGOING WARRANTY WITHOUT ADDITIONAL COST TO THE CUSTOMER. THE CUSTOMER'S SOLE AND EXCLUSIVE REMEDY FOR ANY MATERIAL BREACH OF ANY PROVISION OF THIS AGREEMENT OR FOR ANY WARRANTY SHALL NOT, UNDER ANY CIRCUMSTANCES, EXCEED THE AMOUNT OF THE SUBSCRIPTION FEE FOR THE TWELVE MONTH PERIOD PRIOR TO THE ALLEGED BREACH. REFERENCE TO BREACH OF THIS AGREEMENT SHALL INCLUDE ANY SUPPLEMENT, ADDITIONS OR AMENDMENTS TO THIS AGREEMENT. IN NO EVENT SHALL UKG BE LIABLE FOR ANY LOST REVENUES OR LOST PROFITS, OR ANY SPECIAL, INCIDENTAL, CONSEQUENTIAL OR OTHER DAMAGES OF ANY NATURE WHATSOEVER. THIS DAMAGE EXCLUSION IS INDEPENDENT OF ANY REMEDIES PROVIDED FOR HEREIN. UKG HEREBY DISCLAIMS ALL OTHER WARRANTIES, EXPRESSED OR IMPLIED, INCLUDING THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE. UKG DISCLAIMS ALL WARRANTIES AND RESPONSIBILITY FOR THIRD PARTY SOFTWARE WHICH SHALL BE THE SOLE OBLIGATION OF THE PROVIDER OF THE THIRD PARTY SOFTWARE.

THE ULTIPTRO LAUNCH OR CONSULTING SERVICES PROVIDED HEREUNDER BY UKG WILL BE PERFORMED IN A MANNER CONSISTENT WITH THE STANDARDS AND THE GENERAL CUSTOMS AND PRACTICES OF THE INDUSTRY. CUSTOMER MUST REPORT ANY DEFICIENCIES IN THE ULTIPTRO LAUNCH OR CONSULTING SERVICES WITHIN THIRTY (30) DAYS OF THE LATER OF THE COMPLETION OF THE ULTIPTRO LAUNCH OR CONSULTING SERVICES OR THE DATE THAT SUCH DEFICIENCIES WERE REASONABLY DISCOVERABLE BY CUSTOMER, IN NO EVENT, HOWEVER EXCEEDING SIXTY (60) DAYS FROM THE DATE OF COMPLETION OF SUCH ULTIPTRO LAUNCH OR CONSULTING SERVICES.

## **11. Entire Agreement**

This Agreement, including the Exhibits, represents the entire understanding of the Parties with respect to its subject matter, and supersedes and extinguishes all prior oral or written communications between the Parties about its subject matter. Any Customer order or similar document which may be issued with this Agreement does not modify this Agreement, and in case of conflict, this Agreement shall control. No modification of this Agreement will be effective unless it is in writing and signed by each Party.



In the event that any of the terms of this Agreement is, or becomes, or is declared to be invalid or void by any court or tribunal of competent jurisdiction, such term or terms shall be null and void and shall be deemed severed from this Agreement and all the remaining terms of this Agreement shall remain in full force and effect.

The provisions of this Agreement are for the sole benefit of the Parties and they will not be construed as conferring any rights on any third party nor are there any third party beneficiaries to this Agreement.

The parties agree that any signature (including but not limited to any electronic symbol attached to, or associated with, a contract or other record and adopted by a person with the intent to sign, authenticate or accept such contract or record) hereto shall have the same legal validity and enforceability as a manually executed signature to the fullest extent permitted by applicable law, and the parties hereby waive any objection to the contrary. This Agreement may be executed in any number of counterparts, each of which when executed and delivered shall constitute a duplicate original of this Agreement but all counterparts together, shall constitute one and the same instrument. Each counterpart may be executed by electronic signature or manual signature. Delivery of an executed counterpart of this Agreement by telecopier or facsimile transmission or other electronic means shall be effective as delivery of a manually executed counterpart of this Agreement.

## **12. Publicity**

The Parties agree that UKG shall be entitled to refer to the Customer as a UKG customer, including the use of Customer's name and Customer's logo, on public platforms that include but are not limited to lists of customers, and on UKG's website.

## **13. Governing Law**

This Agreement shall be governed by and construed in accordance with the internal laws of the state of Florida and jurisdiction and venue for any action regarding this Agreement or for breach of it shall be in Broward County, Florida. The prevailing Party in any such action shall be entitled to recover its reasonable attorney's fees and costs from the non-prevailing Party.

## **14. Insurance**

During the term of this Agreement, UKG shall maintain insurance coverage rated A "Excellent" by A.M. Best for the following risks in the following minimum amounts:

- Comprehensive General Liability Insurance: \$2 million aggregate; \$1 million per occurrence, including \$1 million personal injury.
- Business Auto: \$1 million combined single limit bodily injury and property damage liability.
- Umbrella: \$10 million aggregate, \$10 million per occurrence.
- Workers' Compensation: as required by statute.
- Errors and Omissions (includes Cyber Liability coverage): \$10 million aggregate, \$10 million per occurrence

Upon the written request of Customer, UKG shall provide Customer with a certificate evidencing the above insurance coverage.

## **15. Notices**

Notices will be effective when received in writing at the following addresses:

UKG Inc.	Cass County Government
2000 Ultimate Way	211 S. 9 <sup>th</sup> S.
Weston, FL 33326	Fargo, ND 58103
Attn: General Counsel	Attn:
Fax (954) 656-1006	Email:

## **16. Status of UKG as Independent Contractor**

UKG shall devote such time and effort to the performance of the services it deems necessary to satisfactorily complete the services. UKG shall be an independent contractor in the performance of this Agreement and shall not be deemed an employee or agent of Customer for any purpose whatsoever.

Neither party shall have power to act as an agent of the other or bind the other in any respect.

## **17. Workplace**

If UKG is requested by Customer to provide services on Customer's premises, Customer agrees to provide UKG personnel a safe workplace whose standards are consistent with that of its own employees. Customer also agrees to provide reasonable access to its key personnel necessary for UKG to perform the services. UKG personnel will observe all safety and other applicable rules in effect at such workplace, provided that reasonable notice of the rules has been supplied to UKG and such personnel.

In order to allow UKG to perform its obligations, Customer will be responsible for ensuring that its facilities are accessible and supported during normal business hours, Customer's equipment is operational for the purposes of meeting the obligations contained within this Agreement, and UKG personnel is provided with Customer workstations that have access to such Equipment, Log-on ID's, disk space, printer access, phones and sufficient work space while performing UltiPro Launch or Consulting services. For purposes of this Agreement, equipment ("Equipment") shall mean any computer hardware or third party software necessary to properly run the UltiPro Software.



## **18. SaaS Services**

UKG will provide the SaaS Services at UKG's SaaS Site. UKG reserves the right to change the location of the SaaS Site if it deems necessary. At the SaaS Site will be the hardware and software necessary to run and support the UltiPro Software from a remote location(s).

Customer acknowledges that the SaaS Services as described in this Exhibit may change from time to time as is required by changes to normal business conditions. It is further understood by Customer that any changes to the SaaS Services will be applicable to all UKG's Customers that are utilizing SaaS Services. UKG will make best efforts to publish such changes to the SaaS Services within a reasonable time frame to the UltiPro portal. In any event, UKG shall make changes that are equivalent or better and will not downgrade the products or services offered to Customer as of the Effective Date of this Agreement.

### **A. UKG Responsibilities**

- Provide sufficient computer infrastructure, equipment, software, network bandwidth and security within the environment to allow the Customer access to the UltiPro SaaS Services.
- Maintain, monitor and administer UKG's federated services infrastructure and, upon request, configure customer instances in the federation environment for UltiPro Single Sign-on Services.
- Provide connectivity for the system administration users.
- Provide Customer with UltiPro release upgrade schedule for the UltiPro Software.
- Assign roles and password protection to all system administration users identified by Customer as requiring system administration rights.
- Execute nightly maintenance procedures.
- Maintain business continuity environment and process, which are tested annually
- Execute scheduled cumulative backup procedures (and restore as necessary)
- Maintain application recovery procedures with a recovery point objective of 4 hours (except for Workforce Ready which is 6 hours)
- Maintain cumulative backups pursuant to UKG's standard retention policy
  
- Conduct capacity planning, track application and network utilization, forecast growth and the impact on network and infrastructure and size accordingly
- Perform system maintenance and upgrades for UltiPro Software and all third party software required to deploy the SaaS Services.
- Perform SaaS infrastructure and network infrastructure maintenance on the following schedule for the production SaaS Site:
  - Perform system daily maintenance from 3:00 a.m. to 5:00 a.m. EST not to exceed a maximum of five (5) hours per month, except for Workforce Dimensions which shall be performed Thursdays from 12:00 a.m. – 4:00 a.m. and Workforce Ready which shall be performed Tuesday 12:00 a.m. – 4:00 a.m. and Saturday 12:00 a.m. – 6:00 a.m. and may include general release upgrades. No advanced notice provided.
  - NOTE: Customer may experience intermittent connectivity during these periods or may be restricted from access during these periods.
- Perform emergency maintenance, as required, when necessary. Where possible, Ultimate will use best efforts to provide advanced notification.

UKG will provide Customer advanced notification of the following maintenance via the UltiPro support portal.

- Perform extended release upgrade window as required three (3) times per year on either Saturday or Sunday from 2:00 a.m. to 8:00 a.m. EST.
- Perform extended system maintenance as required once per year on either Saturday or Sunday from 12:01 a.m. to 12:00 p.m. EST.

### **B. Customer Responsibilities**

- Identify the key contacts responsible for coordinating all activities related to the launch and ongoing operation of the SaaS Services.
- Provide the necessary infrastructure and/or software capabilities, network security and Directory structure to establish and maintain a SAML 2.0 based single sign-on solution between Customer and UKG for UltiPro Single Sign-on Services.
- Provide UKG with a list of Customer system administration users that require access to the SaaS environment.
  
- Maintain Customer workstations, running a supported browser.
- Maintain Customer printer environment.
  - Note: MICR check printing requires HP compatible printers
- Maintain Internet connectivity to access SaaS Site.
- Customer shall notify UKG of events that permit changes to contractual terms, such as significant Compensated Employee growth, by providing UKG with thirty (30) days advanced written notice of its intention to use the UltiPro Software for the additional Compensated Employees so that UKG can ensure proper configuration of the SaaS environment.
- Manage, monitor and maintain confidentiality, user security and privacy settings within the UltiPro Software for Customer's users, including, but not limited to, user identifications, password setup/change, account lockout frequency, enabling multifactor authentication, and enabling internet protocol filtering.

- Customer will be responsible to provide for the specified connectivity between the Customer's location(s) to the internet. Customer agrees that UKG will have no liability for and Customer will not be excused from any of its obligations under the Agreement as a result of the quality, speed or interruption of the communication lines from the Customer's location(s) to the internet.
- C. If applicable, Customer shall have access to the Boomi Software and Boomi AtomSphere Service which is the third-party software and service for the creation of integrations by Customer through the Workforce Dimensions – Time product.
- a. <https://www.kronos.com/workforce-dimensions/agreement/boomi-flow-down-provisions>



## Exhibit D

### U.S. Payment Services

Overview of Services: Payment Services includes the payment by UKG of Customer's Payroll Tax Liabilities, Garnishment Liabilities, and ACA Distribution Services and Check Printing services (each as defined herein) (collectively herein referred to as "Payment Services").

Regulated financial services, including regulated aspects of the Payment Services provided under this Payment Services Exhibit, will be performed by Kronos SaaS, Inc., a subsidiary of UKG Inc.

#### **1. Definitions**

"Customer Payee" means an employee or individual receiving a check, direct deposit or other compensation from Customer using the UltiPro Software.

"DDA" means Direct Deposit Advances.

"EFTPS" means U.S. Treasury Department's Electronic Federal Tax Payment System.

"Garnishment Liabilities" means that portion of Payroll Liabilities relating to wage garnishments, including federal and state tax levies, bankruptcy orders, student loan, child support and spousal support withholding orders.

"NACHA" means National Automated Clearing House Association. NACHA administers the rules for processing Automated Clearing House (ACH) transactions through the ACH network.

"Payroll Liabilities" means the Payroll Tax Liabilities and Garnishment Liabilities related to a designated payroll check date that Customer owes, but has not yet paid.

"Payroll Tax Liabilities" means that portion of Payroll Liabilities relating to payroll taxes, including, all applicable federal, state and local taxes, Social Security and Medicare.

"UKG" shall mean UKG Inc. (formerly known as The Ultimate Software Group, Inc.) and its subsidiary Kronos SaaS, Inc., as it relates to the services to be performed under this Payment Services Exhibit.

"Voluntary Deductions" means that portion of Payroll Liabilities that an employee has voluntarily agreed to have withheld from their compensation and paid to another party (such as a creditor or other third party, including but not limited to 401(k) plans, insurance plans and dues).

#### **2. Data Remittance**

Customer will complete and close payroll using the UltiPro Software before 12:00pm (Customer's local time), no less than two (2) business days prior to the applicable check date(s). Customer acknowledges that the data and all information from the completed payroll from UltiPro Software will be the basis for the Payment Services as provided for herein. Customer acknowledges and agrees to allow UKG access to Customer's masterfile(s) datastore in order to export data to provide the Payment Services herein.

UKG will not be liable for any invalidity or inaccuracy caused by Customer or Customer Data unless Customer so notifies UKG within one (1) business day of Customer's completion of payroll for the applicable check date or within ten (10) days of quarterly records being made available to Customer by UKG.

#### **3. Cash Management**

##### **Reporting for Cash Collection**

One (1) business day prior to the applicable check date, Payment Service reports shall be available to Customer applicable to any given payroll closed within the defined parameters as set forth herein, in order to allow Customer to generate reports based upon such data at the open of normal business hours.

##### **Funds collection**

One (1) business day prior to the designated payroll check date(s), UKG will debit Customer's designated bank account(s) for the Payroll Liabilities. Payroll Tax Liabilities not requiring "next day" payment and Garnishment Liabilities will be collected by ACH debit. Payroll Tax Liabilities requiring a "next day" payment will be collected by reverse wire. Funds must be received by UKG by noon (12:00pm) Eastern Standard Time.

Customer funds will be collected to cover other Customer liabilities covered by this Payment Services Exhibit (to include but not limited to any additional tax payments, penalties and/or interest resulting from tax notices or amendments or quarter-end variances).

Customer agrees to maintain authorization to enable UKG to initiate ACH and reverse wire of Customer's designated bank account(s) and to maintain good and sufficient collected funds in the Customer's designated bank account(s) to cover all funding transactions to be made under this Payment Services Exhibit.



Prior to Customer using the Payment Services in a production environment or when Customer is changing their designated bank account(s), Customer agrees to establish and successfully test authorization with its bank to allow for ACH and reverse wire in accordance with the terms of this Payment Services Exhibit.

### **Banking Transactions**

Delivery of Payment Services is subject to the laws and regulations of the banking industry including but not limited to the operating rules of the NACHA.

Customer grants UKG the authority to issue payments on behalf of Customer.

In addition to Customer's other obligations under this Agreement, Customer agrees to comply with the NACHA rules applicable to it with respect to Customer's use of the Payment Services and Customer agrees that UKG shall have the right to require, on a reasonable basis, Customer to demonstrate its compliance with NACHA rules. Customer agrees not to originate transactions that violate U.S. laws and regulations. International transactions are not allowed under the Payment Services.

In the event that UKG is prohibited from performing the Payment Services (or a portion thereof) as set forth herein due to a banking institutions' restrictions or other applicable regulatory restrictions, then UKG shall have the option to terminate the Payment Services (or any portion thereof) upon written notice to Customer.

### **Investment of Funds**

UKG has the obligation to pay Customer's Payroll Liabilities to the designated recipient of such Payroll Liabilities (to the extent that Customer has made available the required funds in accordance with the terms of this Payment Services Exhibit). The Customer funds held by UKG will be segregated from other funds of UKG but may be commingled with funds of other customers. UKG will be entitled to receive all net income generated on any funds held pursuant hereto.

### **Record of Collections and Disbursements**

Customer will examine all records of any disbursements made available to Customer for validity and accuracy according to Customer's records. Customer will promptly notify UKG of any inaccuracies or inconsistencies.

The specific record retention schedules established by governmental entities applicable to Customer are the responsibility of Customer and are not the responsibility of UKG or the services being provided under the Agreement. UKG has no responsibility or liability for maintaining or retaining said records for Customer.

## **4. Document Execution**

Customer agrees to promptly execute any and all documents required for UKG to carry out and Customer to utilize the Payment Services.

Customer agrees that it will promptly respond to any and all reasonable requests made by UKG for the purpose of UKG's performance of the Payment Services. UKG may amend or update the terms of this Payment Services Exhibit only as reasonably determined by UKG or as mandated by any governmental agency, taxing authority, banking partners or an authority overseeing banking or remittance transactions, provided such amendment or update does not adversely impact Customer's normal business operations and, in such an event, Customer shall have the option to reject such amendment or update, in good faith, within thirty (30) days of receipt of notice of such amendment or update by providing written notice to UKG. In the event Customer rejects an amendment or update to the terms of this Payment Services Exhibit and such rejection materially inhibits or prohibits UKG's ability to perform the Payment Services or ACA Services (or any portion thereof), UKG shall have the option to terminate the Payment Services (or any portion thereof) upon written notice to Customer.

Customer agrees to promptly and accurately perform its responsibilities as set forth in this Payment Services Exhibit and acknowledges that failure to do so may result in additional fees or costs to Customer, including in the event that UKG is required to expedite processes and/or perform additional work on behalf of Customer in order to meet regulatory requirements. Any such additional charges will be performed at a rate of \$190 per hour which shall be billed as incurred. UKG shall provide Customer with ten (10) days advance written notice of its intent to charge such additional fees and/or costs, and Customer shall have the opportunity to cure same during such ten (10) day period.

## **5. Data Retention**

Customer agrees that UKG will retain Customer's wage and tax data as applicable subsequent to the date of termination of this Agreement for the purposes of responding to tax notices, preparation of amended payroll tax returns or similar matters applicable to the Payment Services term provided by UKG for a term not to exceed four (4) years from the date of termination.

Any sections of this Agreement which expressly survive termination of this Agreement, or which, by their nature, should reasonably survive termination of this Agreement, shall survive.

## **6. Services**

### **A. General**

UKG is not obligated to commence providing the Payment Services and is not obligated to pay Customer's Payroll Liabilities for any payroll check date, until UKG has received all information and funding necessary to disburse all applicable Payroll Liabilities.



UKG is not responsible for any pre-existing errors or similar matters arising prior to commencement of the Payment Services by UKG or for any errors that may occur in the event the Customer fails to (i) provide UKG with all necessary, complete, and accurate information or (ii) fund the relevant amount of Payroll Liabilities for any payroll check date.

In addition to, and not in limitation of UKG's other rights hereunder, in the event that Customer fails to materially comply with its obligations under this Payment Services Exhibit, UKG may elect to terminate performance of the Payment Services (or any portion thereof) upon written notice to Customer. UKG shall provide Customer an opportunity to cure such failure that is capable of cure within thirty (30) days of Customer's receipt of written notice or such lesser period to the extent that such failure materially inhibits or prohibits UKG's ability to perform the Payment Services or ACA Services (or any portion thereof).

#### **B. Tax Filing Services**

Through the Tax Filing Services, UKG will, in accordance with the terms of this Payment Services Exhibit:

- i. Prepare, deposit and file Customer's Payroll Tax Liabilities for those federal, state, and local jurisdictions listed by Customer on the company profile report (provided with the standard company set up package) and any updates provided to UKG by the Customer.
- ii. Prepare a quarterly tax statement for each Federal Employer Identification Number (FEIN). This statement will include a summary of tax liabilities reported throughout the quarter, and account reconciliation.
- iii. Answer tax agency correspondence for tax deposits and returns filed by UKG.
- iv. File amended returns including W-2Cs as required for returns processed under this Payment Services Exhibit by UKG.
- v. Provide W2 agency filings.

#### **C. Tax Information Acknowledgment:**

As required by the Internal Revenue Service, the following information must be disclosed to taxpayers that utilize a third party to perform tax filing services on its behalf:

Customer acknowledges that it is responsible for the timely filing of employment tax returns and the timely payment of employment taxes for its Customer Payees, notwithstanding that Customer has authorized UKG to file the returns and make the payments on its behalf.

The Internal Revenue Service recommends enrollment in the EFTPS to monitor your account and ensure that timely tax payments are being made. Enrollment in the EFTPS may be done online at [www.eftps.gov](http://www.eftps.gov), or call (800) 555-4477 for an enrollment form. State tax authorities generally offer similar means to verify tax payments. Contact the appropriate state offices directly for details.

#### **D. Garnishment Disbursement Services**

Through the Garnishment Disbursement Services, UKG will remit Customer's Garnishment Liabilities for those federal, state, and local payment processing units and any individual third party(ies) to which an employee of Customer owes a debt and has agreed or is compelled by requisite governmental authority to resolve via garnishment of employee's wages. UKG will make available a report of garnishment activity to Customer summarizing funds collection and disbursement transactions completed for the designated payroll check date(s).

UKG is not responsible for providing additional administrative services, including, but not limited to, agency research, account reconciliation, garnishment data input and adjustments. Customer is solely responsible for the setup of the garnishment requirements in the UltiPro Software in accordance with the UltiPro Online Documentation and UKG is not responsible for same.

Customer will not set up Voluntary Deductions for payment through UKG's Garnishment Disbursement Services.

#### **E. Print Services**

##### **Check Printing**

UKG will print checks and DDA's for Customer based on the information from each completed payroll as set forth in the Data Remittance section above. The printing and distribution of any Check or DDA will be performed for an additional fee of \$0.50 per Check or DDA printed. UKG is unable to support Custom Checks/DDA (defined as any Check/DDA format outside of the UKG standard Check/DDA format).

##### **Year End Tax Forms**

Ultimate Software will be responsible for printing W-2, 1099, T4 or Relevé 1 forms for Customer as applicable. Ultimate Software will supply the form and Customer will be responsible for shipping costs.

**Print Handling/Split Package** - No charge for first five (5) splits, \$4.00 per split thereafter per print request.

##### **Expedited Processing Fee – only if applicable and requested by Customer.**

Provided Customer completes and closes payroll in the UltiPro Software by 12:00 noon (Customer's local time) no less than one (1) business day prior to the applicable check date(s), then for an additional \$250.00 fee, and upon request by Customer, UKG will use best efforts to expedite printing of Customer's checks/DDA for shipping on same business day. Expedited



processing is to be used for exception processing only and is not part of normal processing of all payrolls and is not guaranteed. Any expedited check print request that is not shipped the same business day will not be charged the expedited fee.

**Print Shipping** – UKG shall be responsible for delivering printed documents (i.e. checks, DDA, W2s, etc. to either a commercial carrier or United States Postal Service First Class mail direct to the Customer Payee's address) as specified by Customer. UKG will print Customer's Checks/DDA one (1) day prior to the payroll check date for delivery on the applicable payroll check date. Customer will be responsible for shipping costs with no markup. For the avoidance of doubt, UKG is not responsible for the services of any commercial carrier or United States Postal Service.

#### **F. ACA Toolkit and Distribution Services ("ACA Services")**

**ACA Toolkit** - Included for all customers at no additional cost:

- Eligibility 'lookback' calculations based upon payrolls processed with the UltiPro Software.
- Enrollment based on eligibility
- Post exchange notices to employee document area
- Obtain and track employee consent to view 1095-C forms electronically
- Generate completed 1094-C and 1095-C forms
- Import template for 1095-C data (if not available in UltiPro)
- Generate required 1095-Cs for those who are not active employees (i.e., COBRA, retirees)
- Download 1095-C via employee self service
- Generate electronic file in IRS approved format
- Self Service printing and distribution of 1095-C forms
- Self Service electronic filing to the IRS
- Comprehensive reporting and access to data about eligibility, penalty exposure, and offer of coverage

#### **ACA Data Remittance**

Customer will provide the required ACA data needed for 1094-C and 1095-C forms to UKG pursuant to the ACA standard guidelines. Customer acknowledges that (i) the ACA data and all ACA information contained in and generated from the UltiPro Software will be the basis for the services as provided for herein, and (ii) Customer is required to approve the ACA data on an annual basis in accordance with the deadlines set forth in the ACA Toolkit and provided in writing to Customer via newswire to Customer's designated representative.

#### **ACA Distribution Services**

- UKG printing 1095-C forms and mailing them to Customers' employees will follow the same description of services as the Year End Tax Forms section above. Customer is responsible for the cost of shipping and handling.
- Electronic filing of 1094-C and 1095-C forms to the IRS on Customer's behalf

#### **Assumptions:**

- Data included in the healthcare measurement periods for the eligibility "lookback" calculations will begin with the first payroll processed using the UltiPro Software. Data converted from legacy systems is not available for eligibility "lookback" purposes.
- Prior to performing the ACA Distribution Services, Customer must provide UKG all required ACA data related to 1094-C and 1095-C forms and such data must be entered into and validated within the UltiPro Software.
- UKG will not be liable for any invalidity or inaccuracy caused by Customer unless Customer so notified UKG within three (3) business day of UKG making available to Customer any and all ACA regulatory forms and filings. Customer will examine them for their validity and accuracy according to Customer's records. Customer will immediately notify UKG of any inaccuracies.
- Customer is responsible for all shipping charges, whether billed by UKG as a pass through expense or direct billed to Customer via its own carrier. Customer shall have the option to use their own Federal Express or United Parcel Services account number.

## Exhibit E UltiPro Launch Overview

This Launch Overview outlines the scope of services to be provided by UKG for the implementation of the products purchased in the Subscription Offering. UKG's professional services engagements are designed to help customers successfully implement UltiPro Core, as well as enable customers to easily layer additional UltiPro features/modules over time based on priorities, schedules, and resources.

The Launch Services described herein are fixed price based and subject to the terms and conditions of the UKG Inc. SaaS Agreement (the "Agreement"). Unless otherwise defined herein, words and expressions defined in the Agreement shall have the same meaning in this UltiPro Launch Overview.

UKG's UltiPro Launch methodology ("UltiPro Launch") provides proven and repeatable processes that are supported with standard tools, templates and proven training paths that deliver a successful launch of the UltiPro Software. UKG partners with the Customer throughout the UltiPro Launch process performing tasks such as discovery workshops, system configuration, data conversion, interface development, testing cycles, production support, and project management.

With UltiPro Launch, UKG uses its proven methodology to provide training and services to deploy the UltiPro Software. UltiPro Launch will be delivered as described in this document.

### **1. Introduction to UltiPro Launch**

#### **Deployment Strategy**

The deployment of The UltiPro Software is a collaborative endeavor. UKG will work with Customer to determine the most logical and efficient deployment plan of the UltiPro Software based upon Customer's current environment, products purchased, Customer's available resources and other driving factors. This best practice approach will be tailored to Customer's business objectives. In all deployments, UltiPro Core will be deployed first and the project team members from UKG and Customer shall determine the deployment sequence for other areas of the UltiPro Software where applicable.

#### **UltiPro Launch Methodology**

The UltiPro Launch Methodology provides a framework that generally describes how the project will progress from the start to finish. The project team follows this framework to transition Customer's existing human capital management and workforce management (where applicable) functions from Customer's legacy provider to the UltiPro Software. UKG's deployment methodology includes the following phases:

**Plan:** Preliminary preparation involves four basic elements: UKG's internal readiness and team assignments, Customer preparation, a project team initial kick off meeting and software access.

**Discover:** This phase is designed to profile Customer's configuration through review of existing reports, analyze requirements to develop a solution design, and configure the solution.

**Build:** This phase is designed to configure Customer's UltiPro solution and migrate employee data into UltiPro from legacy system. This is inclusive of all UltiPro solutions intended to be deployed on your first live date. This phase will also provide unit testing to ensure that each iteration delivers a fully configured component of the system.

**Test:** This phase is designed to test the migrated employee data and provide comprehensive testing for all components that will be deployed on First Live Date.

**Deploy:** This phase is designed to finalize configuration and data in order to execute a First Live Date.



## 2. Roles and Responsibilities

A successful UltiPro Launch assumes Customer participation throughout the project as referenced in the *Roles and Responsibilities* sections of this document. UKG and Customer's roles and responsibilities are described below.

A check mark in the grid below indicates each respective party's primary responsibilities. If there is a check under UKG and Customer columns, this means the task is a shared responsibility with UKG having primary responsibility to lead the task to completion.

<b>Project Management</b>	<b>UKG</b>	<b>Customer</b>
Manage the respective team's project resources, budget, and deliverables to ensure they are being met per the project timeline.	√	√
Create weekly status reports and facilitate weekly status calls. Report out status to stakeholders.	√	√
Resolve project issues.	√	√
Provide Customer communications and general project-related management activities.	√	
Perform roll-out activities (change management/train the trainer) for managers and employees.		√

<b>Plan</b>	<b>UKG</b>	<b>Customer</b>
Provide access to the UltiPro Modules as contracted in the Agreement	√	
Facilitate the kick-off meeting.	√	
Attend and participate in the kick-off meeting and discovery meetings.	√	√
Assist in defining necessary Customer resources and a training plan as part of the project plan.	√	
Key project resources attend recommended training courses.		√

<b>Discover</b>	<b>UKG</b>	<b>Customer</b>
Gather all available policy and procedure documentation as well as completion of the data collection tool.		√
Describe the expected solution, business processes and business rules for all employee groups.		√
Facilitate rapid review, feedback, and signoff on all project documentation to meet project deadlines.		√
Lead discovery sessions to gather business requirements	√	
Participate in discovery sessions to provide business requirements		√
Define project assumptions, risks and system configuration requirements based on completed discovery and recommend configurations.	√	√

<b>Build</b>	<b>UKG</b>	<b>Customer</b>
Complete a company setup containing all of the business rules and complete unit testing to validate configuration.	√	
Perform unit and functional testing	√	√
Share data mapping process and field specifications with Customer.	√	
Provide data translations and field mapping defaults for all required fields		√
Provide source data for production processing in the UKG approved conversion table formats.		√
Convert Customer Data from UKG's conversion table format	√	
Review and approve converted data according to the agreed upon schedule.		√
Create interfaces as defined in the <i>UltiPro Launch Guidelines/Assumptions</i> section of this document.	√	
Supply technical support required for system integration and data conversion.	√	√

<b>Test</b>	<b>UKG</b>	<b>Customer</b>
Customer project team members to attend recommended training courses.		√
Perform system testing.	√	√
Perform interface testing	√	√

<b>Deploy</b>	<b>UKG</b>	<b>Customer</b>
Assure that adequate end-user training has been completed before the use of the UltiPro Software in a production environment.		√
Provide production support and post-live support for transition to UKG's Customer Support team.	√	
Perform project wrap-up activities, including, closing open issues.	√	√



### 3. Project Management Processes

**Defining the scope** is the process of reviewing all contract documents and confirming deliverables the project team will complete. The scope is defined during the discovery of Customer's business requirements in the planning phase.

**Planning for resources** is the process of assembling the project team. It is imperative that the proper resources with the right skills are available for specific tasks when needed. The resource plan is a combination of the roles and responsibilities detailed in the kickoff presentation and the project schedule.

**Developing the project schedule** is the process of creating a list of tasks and placing them in sequence with due dates. The project schedule also includes identifying critical tasks and milestones so the project team knows where to focus their efforts and can track their progress. The project schedule is documented in the online *Project Console*.

**Creating and maintaining an action log** is the process of creating and maintaining a list of open action items that have been identified but not resolved (an "Action Log"). An Action Log is maintained during the project.

**Facilitating status meetings** is the process of scheduling and executing recurring team meetings to review the project schedule, Action Log, and project risks. The purpose of the meeting is to present an overall status to the team. This process does not include working sessions to address open items. Working sessions to resolve items will be scheduled outside of the status meetings.

**Managing change** is the process of identifying, approving, and authorizing new scope to the existing project once the product deployment schedule has been agreed to and documented.

**Closing the project** is the process of confirming that all project deliverables have been delivered and accepted by an authorized team member.

### 4. Training

Effective training is the key to high user adoption rates. Training that results in self-sufficient administrators, managers, and employees increases the efficiency of use of the UltiPro Software and Customer's business processes.

UKG's training model includes a role-based learning plan. Each role within Customer's organization has a specific set of courses required at specific points in UltiPro Launch. Having role-based training classes ensures Customer's team members are trained on the processes they will use in their day-to-day interactions with the system. The timing of this training is key. UKG aims to provide the training with as little time between training delivery date and system usage as possible. This provides for Customer's users to have an opportunity to reinforce the training through real-life application before they begin to lose the skills gained in training. End users (i.e., Managers and Employees) use a train the trainer model for learning. Customer is responsible for train the trainer learning for their managers and employees.

### 5. Project Team Composition

Resource allocation and commitment are key drivers for a successful UltiPro Launch. The project team is assembled using team members from Customer and UKG, Kronos, Incorporated and its affiliated companies, and UKG Certified Partners (UKG trained and approved channel of consulting services resources). UKG uses employee resources and may use Kronos, Incorporated and its affiliated companies and Certified Partners to assist in the performance of UltiPro Launch or consulting services under this Agreement. Customer hereby authorizes access by UKG, Kronos, Incorporated and its affiliated companies, and Certified Partners to the Customer information necessary to perform such services. This may include access to Customer's Confidential Information. All Certified Partners are subject to the confidentiality and security provisions of this Agreement and UKG will be responsible for the actions of its Certified Partners. Prior to the end of the project, an ongoing support team will also be introduced.



The UKG project team is comprised of experienced industry experts specializing in specific areas of UltiPro Launch. The team roles and key responsibilities are listed below:

UltiPro Team Resource	Key Responsibilities
<b>Delivery Manager</b>	<ul style="list-style-type: none"> <li>• UKG Project Sponsor</li> <li>• Gains commitment for all project resources</li> </ul>
<b>Project Manager</b>	<ul style="list-style-type: none"> <li>• Primary Point of Contact</li> <li>• Responsible for achieving project objectives by coordinating with all project resources on the timely completion of project tasks</li> <li>• Develops and manages project schedule</li> <li>• Mitigates project risks</li> <li>• Communicates overall project status and provides project reporting</li> <li>• Serves as initial point of escalation for all project related issues and coordinates activities needed for resolution</li> </ul>
<b>System Consultant – UltiPro Core HR/Payroll</b>	<ul style="list-style-type: none"> <li>• Primary UKG resource and functional expert</li> <li>• Customer’s day-to-day point of contact for all UltiPro Core HR/Payroll related service requests</li> <li>• Completes Core HR/Payroll software configuration life cycle per the UltiPro Launch methodology</li> </ul>
<b>Time Consultant</b>	<ul style="list-style-type: none"> <li>• (if purchasing) Primary point of contact for all time application-related service requests</li> <li>• Completes time software configuration life cycle per Launch methodology</li> </ul>
<b>Talent/Compensation Consultant</b>	<ul style="list-style-type: none"> <li>• (if purchasing) Primary point of contact for all talent and compensation application-related service requests</li> <li>• Completes talent, learning, perception, and compensation software configuration life cycle per UltiPro Launch methodology</li> </ul>
<b>Employee File Management/ Employee Case Management Consultant</b>	<ul style="list-style-type: none"> <li>• (if purchasing) Primary point of contact for all ECM/EFM related services</li> <li>• Complete the ECM/EFM configuration life cycle per UltiPro Launch methodology.</li> </ul>
<b>Payment Services Subject Matter Expert</b>	<ul style="list-style-type: none"> <li>• Primary point of contact for payment services related activities.</li> </ul>
<b>Technical Consultant</b>	<ul style="list-style-type: none"> <li>• Responsible for successful migration of all active employee indicative data into UltiPro from current system of record.</li> </ul>
<b>Integration Analyst</b>	<ul style="list-style-type: none"> <li>• Responsible for integration file creation and delivery</li> <li>• Works together with 3rd Party vendors to determine requirements for file automation; initiates and manages the setup of data exchange services</li> </ul>

Customer Team Resources	Key Responsibilities
<b>Executive Sponsor</b>	<ul style="list-style-type: none"> <li>Customer Project Sponsor</li> <li>Gains commitment for all project resources</li> <li>Provides executive-level support to the project team.</li> <li>Ensures that the needs of the project team are well represented and met by the steering committee.</li> </ul>
<b>Project Manager/Lead</b>	<ul style="list-style-type: none"> <li>Primary Point of Contact</li> <li>Responsible for achieving project objectives by coordinating with Customer project resources on the timely completion of project tasks</li> <li>Communicates overall project status and provides project reporting to Customer Steering Committee if applicable</li> <li>Serves as Customer's initial point of escalation for all project related issues and coordinates activities needed for resolution</li> <li>Channels the team's activities toward application configuration and executing the project.</li> </ul>
<b>HR Subject Matter Expert</b>	<ul style="list-style-type: none"> <li>Customer's primary HR representative and designated decision maker in the area of HR.</li> </ul>
<b>Benefits Subject Matter Expert</b>	<ul style="list-style-type: none"> <li>Customer's primary benefit representative and designated decision maker in the area of benefits.</li> </ul>
<b>Payroll Subject Matter Expert</b>	<ul style="list-style-type: none"> <li>Customer's primary payroll representative and designated decision maker in the area of payroll.</li> </ul>
<b>Time Subject Matter Expert</b>	<ul style="list-style-type: none"> <li>(if purchasing) Customer's primary time representative and designated decision maker in the area of time tracking.</li> </ul>
<b>Talent Acquisition/ Subject Matter Expert</b>	<ul style="list-style-type: none"> <li>(if purchasing) Customer's primary talent acquisition representative and designated decision maker in the area of talent acquisition.</li> </ul>
<b>Talent Management, Learning and Compensation Subject Matter Expert</b>	<ul style="list-style-type: none"> <li>(if purchasing) Customer's primary talent management, learning and compensation representative and designated decision maker in the area of talent and compensation.</li> </ul>
<b>Employee File Management/ Employee Case Management Consultant</b>	<ul style="list-style-type: none"> <li>(if purchasing) Customer's primary resource and designated decision maker in the area of file and case management.</li> </ul>
<b>Other Subject Matter Experts</b>	<ul style="list-style-type: none"> <li>Customer's primary resource and designated decision maker in their specific specialty area (i.e., general ledger or banking)</li> </ul>
<b>System Admin/Owner</b>	<ul style="list-style-type: none"> <li>Customer's primary resource for system configuration, system knowledge, and application security.</li> </ul>
<b>Technical Resource</b>	<ul style="list-style-type: none"> <li>Customer's primary resource for technical issues related to data conversion, integrations, and security.</li> </ul>

#### 6. Functionality Deliverables:

Working in close collaboration, Customer and UKG will deploy the following modules and functionality (if purchasing):

Module	Core Functionality
--------	--------------------



## UltiPro Core

Human Resources core functionality deployment establishes HR as the system of record for employees, one of the most important foundational components, through:

- Core Employee Demographics
- Core Benefit Enrollment/Life Events
- Employee Self-Service
- Manager Self-Service
- Workflows
- Education, Skills, Certifications/Licenses, Languages Tracking
- Delivered Compliance Reporting (i.e., EEO, Vets 100, and ACA)
- Access to Delivered Standard Reporting
- Access to Business Intelligence Tool and Delivered Ad Hoc Reports
- Mobile Experience

Payroll deployment gets you started with the end-to-end payroll process with the ability to calculate gross-to-net for US and Canadian employees:

- Payroll Gateway
- Pay employees, make adjustments, and perform tax filing
- Pay Calendars
- Pay Groups
- General Ledger Setup
- Parallel Payroll Tests (2)
- Company Tax Setup (Jurisdictions)
- Company Deduction Types
- Company Earning Types
- Configure Default Banks
- Workers Comp Types
- Pay imports (i.e., hours and bonuses)
- Calculating pay real-time (including gross-to-net and gross-ups)
- Immediate pre-check, auditing, and post-payroll reporting
- Generating direct deposit files, paychecks, and direct deposit advices for U.S. and Canadian banks
- Issuing off-cycle checks or voiding payments instantly
- Access to Delivered Standard Reporting
- Access to Business Intelligence Tool and Delivered Ad Hoc Reports
- Mobile Experience

Customer will have access to the Import Tool. This will allow a standard import process for employee data.

- The Import Tool is a solution that provides employee demographic data integration between another system and Core. It allows you to automatically control the flow of data from the third-party system into UltiPro Core. Integration for the specific Customer's 3rd party system is supported through validation rules and data mapping features within the Import Tool. The Import Tool manages the processing of transactional updates that are generated from the 3rd party system.
- Customer generated transaction-based file(s) are read, consumed, and run through UltiPro business processes via the Import Tool. The Import Tool processes the file(s) on a predetermined schedule or on-demand as needed.
- For each type of transaction, the fields that are available when you are entering the transaction via the UltiPro Core HR employee record user interface are the same fields that are available when you are importing the data. The fields that are required when entering a transaction through the user interface are also required when importing the data. In addition, validation that occurs within the business processes occurs when importing data as well.
- In order to use the Import Tool, Customer will provide source files for the UltiPro Import Tool in the UltiPro standard format.
- File must be/include:
  - Changes File Only
  - One record per transaction type per employee.
  - All transactions should only be sent to UltiPro on their Effective Date

**Workforce Ready (WFR) Time  
(This includes Workforce  
Ready Timekeeper, Accruals,  
Attestation)**  
  
**(if purchasing)**

WFR Time Keeper deployment provides for the ability to accept punches and pay employees accurately through these core components:

- Total Cost Centers
- Profiles
  - Timesheet
  - Time Off Request
  - Pay Calculations
  - Pay Prep
  - Accruals
  - Security
  - Points
- Tables
  - Rate
  - Holiday
- Manager Levels
- Employee Perspective Scorecards
- Workflows
  - Time Off Requests
  - Timesheet Change Requests
- Schedules
  - Daily Rules
  - Work Schedule Profiles
- Pay Periods
- Counters
- Time Off Categories
- Reports
  - Standard TLM Pre-Configured 61
  - Custom up to 5
- Timekeeping Admin Training

WFR Accruals module adds comprehensive accrual administration to Workforce Ready Timekeeper by automatically enforcing time off policies through:

- Consistent enforcement of policy
- Configurable calculation methods & grants
- Time-Off routing & approval workflow (requires Timekeeping)
- Time-Off requests at data collection devices
- Automatic updates to schedule & timecard (requires Timekeeping)
- Visibility to projected balances
- Automatic balance reduction (requires Timekeeping or Payroll)
- View time-off calendars for groups
- Mobile access
- One-Time data load using customer-supplied data for current year in a standard WFR-supplied format

WFR Attestation module provides documentation proof of compliance for required administration to Workforce Ready Time Keeping by automatically enforcing your policies through:

- Configurable questions & response choices
- Automated notification & reminders
- Several employee prompts with workflows
- Prompts differ based on attestation prompt
- Workflows
  - Up to 3 included
- Functionality for the InTouch Clock vs. the Web may differ
- Full Audit Report

**Talent Acquisition**  
  
**(if purchasing)**

Talent Acquisition provides candidate-centric design to recruit to candidates and provide collaborative technologies to engage new employees onboarding into Customer's organization through:

- Recruiting
  - Configuration of Recruiting processes based on job type, location, and more
  - Delivered Integration with Multiple Vendors to help pre-screen candidates for job fit and qualifications
  - Ability to post new opportunities directly from UltiPro to various job boards such as LinkedIn, Indeed, Appcast, TeamWork Online, and eQuest
  - Insights into candidate qualifications



	<ul style="list-style-type: none"> <li>• Talent pools by leveraging candidates' personal networks—i.e., allowing them to share opportunities via Twitter</li> <li>• Ensure compliance with nondiscrimination laws through easy access to reporting and tools</li> <li>• Leverage real-time, embedded analytics to measure the effectiveness of your recruiting process</li> <li>• Onboarding <ul style="list-style-type: none"> <li>• Personalize new hire dashboards with a welcome message and dynamic content such as videos</li> <li>• Configure new hire's required tasks, including corresponding due dates with a clear visual timeline</li> <li>• Allow employees to electronically complete, review, and sign tax forms, policy documents, and eligibility forms</li> <li>• Enable employees to complete tasks from anywhere using their preferred mobile device</li> </ul> </li> <li>• Workflows</li> <li>• Access to Delivered Standard Reporting</li> <li>• Access to Business Intelligence Tool and Delivered Ad Hoc Reports</li> <li>• Mobile Experience</li> </ul>
<p style="text-align: center;"><b>Talent Management</b> <b>(if purchasing)</b></p>	<p>Talent Management provides collaborative performance management experience for employees and managers while succession management provides flexible, comprehensive, and executable succession plans through:</p> <ul style="list-style-type: none"> <li>• Performance Management <ul style="list-style-type: none"> <li>• Create and track measurable goals and objectives</li> <li>• Distribute and align goals with business objectives</li> <li>• Capture relevant milestones and mark progress on the fly</li> <li>• Regularly assess workforce progress and provide valuable feedback and coaching to your teams</li> <li>• Recognize and rate achievements and identify areas for improvement</li> </ul> </li> <li>• Succession Management <ul style="list-style-type: none"> <li>• Identify important workforce skills and competencies.</li> <li>• Log, rate, and evaluate critical employee talent factors, including leadership potential, job performance, and promotability</li> <li>• Find, track, and compare individuals in your global talent pipeline to identify and evaluate potential successors</li> </ul> </li> <li>• Workflows Including: <ul style="list-style-type: none"> <li>○ Additional contributor feedback to the manager during the review process</li> <li>○ Ability to include employee, additional contributors, manager, next level manager and admin in the review process</li> </ul> </li> <li>• Access to Delivered Standard Reporting</li> <li>• Access to Business Intelligence Tool and Delivered Ad Hoc Reports</li> <li>• Mobile Experience for individual/team goals, notes on competencies and goals, assign leadership actions, and receive alerts for suggested leadership actions</li> </ul>
<p style="text-align: center;"><b>Perception</b> <b>(if purchasing)</b></p>	<p>Perception delivers an employee survey solution via a through:</p> <ul style="list-style-type: none"> <li>• Sophisticated insights using advanced natural language processing (NLP) and machine-learning algorithms to analyze both structured and unstructured data (text-based responses)</li> <li>• Accurately mine unstructured free-text and identify underlying themes and emotions, to present a complete view of the employee experience and business environment.</li> <li>• Survey Administration <ul style="list-style-type: none"> <li>• Survey Templates including but not limited to engagement, culture, onboarding, and exit surveys</li> <li>• Participate List</li> <li>• Deployment of surveys in waves/sampling</li> <li>• Configuration of Survey: Logo, employee name, message</li> <li>• Email Messaging to employees</li> </ul> </li> <li>• Business Rules/Workflows</li> </ul>



## 7. UltiPro Launch includes:

- Business requirements analysis through discovery workshops, system configuration, data conversion, interface development, testing cycles, production support, and project management.
- Configuration of the UltiPro Software modules purchased under the Agreement.
- Customer training— as described in the Agreement— to allow knowledge transfer and maximize the value of the UltiPro Software.
- Interface development— Configuration and scheduling of interfaces as listed in the UltiPro Launch Guidelines/Assumptions section of this document.
- Data conversion – Conversion of the Customer’s data as described in the UltiPro Launch Guidelines/Assumptions section of this document.

## 8. UltiPro Launch Guidelines/Assumptions

The following assumptions and guidelines were used in preparing this Launch Overview:

- General Assumptions/Guidelines:
  - The typical UltiPro Launch period is four (4) months. All UltiPro Launch services end when the agreed upon scope of services is completed or expire 6 months after the Effective Date of the Agreement, whichever comes first. If additional services are required, they will be contracted separately.
  - Customer will complete tasks as indicated in the roles and responsibilities of this document and as assigned in the final project plan by mutually agreed upon due dates.
  - UKG will communicate with Customer’s Project Manager, the appointed point of contact for Customer on this project. He/she will be responsible for all communications and project management among all Customer parties (staff, vendors, consultants) and for the escalation and resolution of any issues for the Customer.
  - Customer is responsible for all hardware, software, and services provided by other consultants or third-party vendors that may also be involved with the project.
  - UKG will not be responsible for troubleshooting the Customer’s environment such as their operating system, hardware resources, or database schema.
  - UKG will not be responsible for troubleshooting applications or hardware not provided by UKG.
  - Scope changes are subject to review and may impact the project timeline or cost. If additional work beyond the initial scope of this Launch Overview is required, Customer may be charged.
  - Each module will have one (1) deployment (phase) for all employees. If additional phases are needed, additional fees may apply.
  - All project tasks are completed through our virtual (offsite) deployment model. All UltiPro Launch and deployment resources are available virtually. Additionally, Customer’s team is not required to travel to UKG for any part of the UltiPro Launch process. Unless otherwise agreed to in an authorized service request or work order, UKG’s team members will not travel to Customer’s locations to complete the UltiPro Launch services. If onsite work is preferred or required, please discuss this exception with the UKG Delivery Manager. UKG has consulting service solutions that are not included with the infrastructure and UltiPro Launch fee but can be purchased as a value-added service.
- UltiPro Core HR/Payroll Assumptions:
  - Data Conversion:
    - Customer will provide source data suitable for production processing in UKG approved conversion table formats. The data converted must map to existing UltiPro tables.
    - UltiPro HR/Payroll Data - UKG will successfully convert the employee masterfile and the payroll opening balances.
  - Customer Specific Interface Files: Customer specific interface files for General Ledger data export are included at no charge.

## 9. Service Request

Requests for change to this UltiPro Launch Overview or the project it covers must be submitted to your project in writing or in the form of an electronic service request.

Any of the following items will be considered out of scope and require a service request:

- Material changes in the scope or effort
- Material changes in the number or type of deliverables to meet the defined scope of effort
- Changes to the project resource requirements
- Changes to scheduled dates after acceptance of the project plan

UKG will estimate the time and fixed cost needed to implement the change and the impact it may have on the delivery of the project. UKG will perform the requested work once the service request has been signed by the Customer.

**10. Additional Services Not Included in Launch Fees**

- UltiPro Core
  - The following service pricing is applicable during the Launch period:

<b>Additional Services</b>	<b>Price</b>
Data Conversion: Employee Status History – for each 7-year period	\$5,000.00
Data Conversion: Job History – for each 7-year period	\$5,000.00
Data Conversion: Review History – for each 7-year period	\$5,000.00
Data Conversion: Recruiting— candidate personal data; attachments — resume, cover letters, and requisitions – for each 7-year period	\$7,500.00
Data Conversion: Check Detail History – up to 3 years	\$5,000.00
Data Conversion: Check Detail History – up to 7 years	\$10,000.00
Business Intelligence: Ad-hoc report – Each	\$2,500.00
Flat-file Interface: Customer specific file not otherwise included above – Each	\$2,000.00



**Exhibit F**  
**Service Level Agreement**

**A. Service Level for Production SaaS Services:**

UKG's service level objective for the production SaaS environment, including, but not limited to, access to the UltiPro Software and SaaS Services, is to make these services available a minimum of ninety nine and three quarters (99.75%) percent of the time as measured over any one month, not to include activities as denoted in "UKG Responsibilities - Perform SaaS infrastructure and network infrastructure maintenance" as set forth in Exhibit C.

**B. Product Support Service Level - Customer Service Severity Code Summary**

Severity Code	Description	Examples of Issues in This Category	Target Response Time
1	Emergency issue; all users have no access to the UltiPro production system.	All users have no access in the UltiPro production system to any solutions offered through the UltiPro portal.	Within thirty (30) minutes <b>OR</b> Immediate assistance via rapid response
2	High impact issue; users cannot perform key processes associated with a deadline or are unable to continue current operations.	Users are unable to perform critical tasks in the UltiPro portal including processing new hires, calculating payroll, viewing pay information, tasks that cannot be completed due to inability to view, download, or print critical information, or degraded speed or performance in production environment.	Within two (2) business hours <b>OR</b> Immediate assistance via rapid response
3	Moderate impact issue: users cannot perform key processes <b>NOT</b> associated with payroll deadlines. Users are able to continue current operations.	Users experience functionality issues including product gaps, data not displaying correctly, issues requiring general assistance on setup and/or configuration, answers to "how to" questions within any UltiPro solution not affecting a current deadline, or isolated instances of users being unable to perform basic tasks.	Within four (4) business hours
4	Low impact issue and/or general questions regarding product usage; reporting a behavior which is not an emergency.	General inquiries regarding new or existing product functionality and questions about how to accomplish a certain task or complete a process in UltiPro or an extended solution.	Within sixteen (16) business hours



## **Exhibit G**

### **Data Security and Privacy**

#### **1. Data Governance**

- a. In the course of providing the SaaS Services, UKG may collect, transfer, store and use Customer Data, as defined in the Agreement, provided to, collected by or made accessible to UKG. For these purposes, Customer Data may be transferred to or be accessible to (i) UKG personnel as is required to perform the SaaS Services in accordance with the Agreement and in accordance with applicable data privacy protection laws; and (ii) third parties (including, but not limited to, courts, law enforcement, or regulatory authorities), where required by law, provided UKG will provide reasonable notice to Customer prior to any such disclosure if legally permissible.
- b. UKG shall maintain internal company wide policies and procedures addressing the secure storage and handling of Customer Data which shall comply with generally accepted industry standards.
- c. Customer grants to UKG a non-exclusive, perpetual, irrevocable, worldwide license to use, sample, collect, and compile Customer Data in aggregated, de-identified form for the purposes of UKG's providing or maintenance of, improvement to, and operation of the SaaS Services or for any new or different products or services. In addition, to the extent Customer purchases UltiPro Perception services, Customer grants to UKG the right to sub-license to third parties (currently, Mercer (US) Inc.) the Customer Data, which includes the employee survey responses in a de-identified form for the purposes of improvements to the questions sets and bench marking data.
- d. UKG may fulfill its obligations related to Workforce Ready or Workforce Dimensions, as applicable, through its affiliate Kronos Incorporated ("Kronos") and Kronos' affiliated companies.

#### **2. Privacy and Compliance**

UKG represents and warrants that with respect to the collection, storage, transfer, and use of Customer Data it shall comply with (i) all applicable governmental laws, rules, and regulations, including, but not limited to, the European Union General Data Protection Regulations and the California Consumer Privacy Act ("CCPA"), if applicable, (ii) its privacy notice (available at <https://www.ultimatesoftware.com/privacy-notice>), (iii) generally accepted industry standards, and (iv) shall only do so if and to the extent required to perform services pursuant to the Agreement. In the event CCPA is applicable to the provision of services under this Agreement, UKG acknowledges and agrees that it is a service provider as defined under CCPA.

Customer is responsible for complying with the Acceptable Use Policy which can be found at <https://www.kronos.com/policies/acceptable-use>. "Acceptable Use Policy" and "AUP" are interchangeable terms referring to the policy describing prohibited uses of the service as further described in the link. UKG and its third party cloud sub-processor reserve the right to review Customer's use of the service and Customer Data for AUP compliance and enforcement. If UKG discovers an AUP violation, and UKG reasonably determines that UKG must take immediate action to prevent further harm, UKG may suspend Customer's use of the service immediately without notice. UKG will contact Customer when UKG suspends the service to discuss how the violation may be remedied, so that the service may be restored as soon as possible. If UKG does not reasonably believe it needs to take immediate action, UKG will notify Customer of the AUP violation. Even if UKG doesn't notify Customer or suspend the service, Customer remains responsible for any such AUP violation. UKG will restore the service once the AUP violation is cured or as both Parties may agree.

#### **3. Information Security Management Program**

UKG shall maintain a documented, approved and implemented information security management program in accordance with generally accepted industry standard practices that include reasonable administrative, technical, and physical safeguards to protect assets and Customer Data from loss, misuse, unauthorized access, disclosure, alteration, and destruction. The information security management program will address the following areas: risk management, security policy, organization of information security, human resources security, asset management, access control, cryptography, physical and environmental security, operations security, communications security, system acquisition, development, and maintenance, supplier management, information security incident management, information security aspects of business continuity management, and compliance.

#### **4. Data Protection**

When working with Customer Data, UKG shall maintain the following:

- a. Designated security and privacy personnel and departments responsible for the development and implementation of the information security and privacy practices required by this Agreement and applicable law;
- b. Require background checks (including criminal) on its workforce;
- c. Implement reasonably appropriate security and privacy awareness training for all members of its workforce;
- d. Transfer and store Customer Data in an encrypted/secure manner;
- e. Shall not store Customer Data on unencrypted mobile devices or media, such as laptops, phones, USB drives, etc;
- f. Implement reasonably appropriate technical safeguards to protect Customer Data, such as firewalls, intrusions detection systems, logging and monitoring systems, access control systems and encryption;
- g. Restrict access to data, applications, systems, databases and networks to approved users with a business need/job responsibility.
- h. Reasonably timely de-provisioning, revocation or modification of user access to UKG's systems, information assets and Customer Data shall be implemented by UKG upon any change in status of employees, contractors, customers, business partners or third parties. Any change in status is intended to include termination of employment, contract or agreement, change of employment, transfer within the organization or change in SaaS Service delivery.
- i. Maintain procedures for data retention and storage, and backup/redundancy mechanisms. UKG will test the recovery of backups at planned intervals



- j. Implement reasonable physical safeguards to restrict physical access to Confidential Information, such as restricted access requiring authentication, and appropriate environmental controls. Physical security perimeters (which may include fences, walls, barriers, guards, gates, electronic surveillance, physical authentication mechanisms, reception desks and security patrols) shall be implemented to reasonably safeguard Customer Data and UKG's relevant information systems;

#### **5. Audit Reports and Security Assessments**

- a. UKG will have, at a minimum, an annual site audit of UKG's information technology general controls including, but not limited to, information security, confidentiality and availability controls, performed by an independent third-party audit firm based on the recognized audit standard SSAE 18 SOC 1 and SOC 2 report or equivalent. UKG will make available to Customer for review, its SSAE 18 SOC 1 and SOC 2 report or equivalent after the report's publication by the independent audit firm. Customer agrees to treat such audit reports as Confidential Information under this Agreement. Any control exceptions noted in the SSAE 18 SOC 1 or SOC 2 report or equivalent will be addressed in the report with management's corrective action. UKG maintains certification to ISO 27001 and ISO 27018 and will make the certificate of registration available to Customer upon request, except for Workforce Ready, which has ISO certification on its roadmap.
- b. UKG will have a network and application level penetration test conducted annually. This audit shall be performed by a recognized third-party audit firm engaged by UKG.
- c. Customer may also request a comprehensive due diligence package no more than once annually, which shall include a completed industry standard security and privacy due diligence questionnaire and other information on information security, privacy and compliance.

#### **6. Disaster Recovery**

- a. UKG shall have a defined and documented business continuity/disaster recovery plan for recovery services provided to the Customer.
- b. Such plan shall provide for reasonable physical protection against damage from deliberate attacks as well as natural causes and disasters.
- c. Security mechanisms and redundancies shall be implemented by UKG to reasonably protect equipment from utility service outages (e.g., power failures, network disruptions, etc.).
- d. Telecommunications equipment, cabling and relays transferring data or supporting SaaS Services shall be reasonably protected by UKG from interception or damage and designed with redundancies, alternative power source and alternative routing.
- e. Such plan shall provide for appropriate backup facilities and technology that will permit transition of the services (from the previous night's backup date), with a maximum recovery time of 24 hours from declaration of a disaster to be operational and accessible to Customer.
- f. UKG shall conduct a test of such plan each year. Customer may request the annual high level summary of the results of such test.

#### **7. Data Breach**

UKG will respond to, contain and remediate security incidents, using commercially reasonable efforts, on a 24/7 basis. UKG shall notify Customer of a Security Incident (as defined below) per applicable law upon becoming aware of a Security Incident involving Customer Data. A "Security Incident" is a breach of confidentiality, data integrity or a security compromise of a network or server resulting in the unauthorized access, use, transfer or acquisition of Customer Data. UKG shall inform Customer about Security Incident response activities in reasonable intervals until the Security Incident is resolved, which may include documenting and keeping Customer reasonably informed of all investigative and recovery efforts related to any such Security Incidents, including discovery, investigation and containment, recovery, use of data and experience for gap identification and process improvement, mitigation plans, and cooperation with law enforcement, if legally permissible, as reasonably appropriate.