



## HRIS Addendum

The following terms govern the use of the HRIS Services (the “HRIS Addendum”) as they relate to specific HRIS Services ordered by Customer in an Order Form. “HRIS Services” refers to the following SaaS Applications or any Add-Ons (defined below) or Professional Services related to such SaaS Applications: NEOED Core HR, NEOED Payroll, and NEOED Time and Attendance. If any provision within the HRIS Addendum directly conflicts with any other provision of the Services Agreement, the terms of this Addendum shall control.

Implementation; Add-Ons; and Configuration Limitation. Implementation of HRIS Services as detailed in the standard statement of work (“SOW”) and the mutually agreed-upon scope document (“Scope”) will proceed in accordance with the estimated implementation schedule provided by NEOED and as further detailed in the SOW and Scope. Implementation services not included in the SOW and Scope may be subject to additional fees. Customer acknowledges that the timeline for the implementation schedule is an estimate only and dependent on a number of variables, including but not limited to Customer’s responsiveness to NEOED’s requests during the implementation process and Customer’s obligation to fill out the “Implementation Workbook” to facilitate the implementation process. In the event that Customer does not order the full suite of HRIS services offered, NEOED may be required to generate custom feeds for Customer for an additional fee. During implementation, Customer may elect optional add-on services that supplement the SaaS Applications (the “Add-Ons”). After completion of implementation, any subsequent changes Customer requests to the configuration of the HRIS Services will be at cost.

NEOED will have no responsibility for nor any duty to review, verify, correct or otherwise perform any investigation as to the completeness, accuracy or sufficiency of any data or information input into the HRIS system by or on behalf of the Customer. Customer is solely responsible for ensuring that all data entered into and stored in the HRIS system is accurate and complete, and for correcting any errors or discrepancies in such data.

### **CORE HR and Benefits – Additional Terms**

The following terms shall apply to the extent that Customer orders the NEOED Core HR, and HRIS Services involving benefits administration (the “Benefits Module”):

1. **Benefits Module Representative.** Customer shall designate one or more persons who shall serve as NEOED’s designated contact for the Benefits Module (the “Benefits Representative”). Customer represents and warrants to NEOED that the Benefits Representative has, and shall at all times have, the requisite authority to transmit information, directions and instructions on behalf of Customer, each “plan administrator” defined in Section 3(16)(A) of the ERISA and Section 414(g) of the Code and, if applicable, each “fiduciary” (as defined in Section 3(21) of ERISA) of each separate employee benefit plan covered by the Benefits Module (each, a “Benefit Plan”). The Benefits Representative also shall be deemed to have authority to issue, execute, grant, or provide any approvals, requests, notices, or other communications required or permitted under the Services Agreement or requested by NEOED in connection with the Benefits Module.
2. **Use of the Benefits Module.**
  - a) **HR Users.** Customer shall authorize an administrator to input information and access certain information relating to (i) the benefits offered by Customer and (ii) Customer’s employees/plan participants and their benefit options and elections as well as view certain personal and company information regarding company employees. The Benefits Module permits Customer’s employees/plan participants to make various benefits elections and to view and update certain personal and company information. It is Customer’s responsibility to submit instructions and information relating to the Benefits Module and to verify the accuracy and completeness of all such instructions and information submitted by Customer, employees, and plan participants.
  - b) **NEOED Not Fiduciary Advisor.** Customer acknowledges and agrees that, in making the Benefits Module available, NEOED is not acting as an investment advisor, broker-dealer, insurance agent, tax advisor, attorney or intermediary or a financial or benefit planner. NEOED is not providing any benefits, tax advice, or any information related thereto; Customer is responsible for making available all benefits and information related thereto referenced or included in the Benefits Module.
  - c) **NEOED’s Health Care Clearinghouse Status.** Customer expressly acknowledges and agrees that NEOED is not a “Health Care Clearinghouse”, a “Covered Entity” or a “Business Associate” within the meaning of HIPAA, and Customer shall not request or otherwise require NEOED to act as such. To the extent that NEOED is required to enter into any additional agreement as a result of Customer’s use of the Benefits module, Customer shall be responsible for any liability incurred by NEOED thereunder.

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3. Additional Termination Rights. NEOED may terminate Core HR, the Benefits Module, or this Services Agreement immediately upon written notice to the Customer upon (a) the failure of Customer to maintain its Benefit Plan(s) in compliance with ERISA or other applicable laws or regulations or (b) NEOED's determination that the exercise of any of the rights granted hereunder or the continued performance by NEOED of its obligations under this Services Agreement would cause NEOED to violate any applicable international, federal, state or local law(s) and/or regulation(s).
4. ERISA. The terms of this Section only shall apply to the extent Customer uses services governed, in whole or in part, by the Employee Retirement Income Security Act of 1974, as amended ("ERISA")
  - a) NEOED's Non-Fiduciary Status. Customer expressly acknowledges and agrees that NEOED is not an "Administrator", "Plan Sponsor," or a "Plan Administrator" as defined in Section 3(16)(A) of ERISA, and Section 414(g) of the Internal Revenue Code of 1986, as amended (the "Code"), respectively, nor is NEOED a "fiduciary" within the meaning of ERISA Section 3(21), and Customer shall not request or otherwise require NEOED to act as such. NEOED shall not exercise any discretionary authority or control respecting management of any of Customer's benefit or welfare plans ("Plan" or "Plans") or management or disposition of any of Customer's benefit or welfare Plan assets. NEOED shall not render investment advice for a fee or other compensation, direct or indirect, with respect to any monies or other property of any Plan, nor does NEOED have any authority or responsibility to do so. NEOED has no discretionary authority or discretionary responsibility in the administration of the Plan(s).
  - b) Use of NEOED'S Name. Customer or the Plan Administrator must obtain the prior written consent of NEOED to insert any references to NEOED or its affiliates, or to NEOED Services, with respect to any communication or document pertaining to a Plan prepared by Customer, or on behalf of Customer (other than documents prepared by NEOED), unless the reference only identifies NEOED as a service provider or the reference is required in a filing or document required by ERISA or any other applicable law. Without limiting the foregoing, in no event may Customer or the Plan Administrator identify or refer to NEOED as "administrator", "plan administrator", "third-party administrator", "plan sponsor", "fiduciary", "plan fiduciary" or similar title.
5. Direct to Carrier Services. Customer may elect direct to insurance carrier services (each a "Carrier Link") at its option, each for an additional cost. Reconfiguration of existing Carrier Links, establishing new Carrier Links, and additional elections are available for an additional fee and may be completed by NEOED at NEOED's then current rates. Customer may access and use the NEOED HRIS Services to electronically transmit employee data, including employee benefits enrollment data, to Customer's carriers or other third parties authorized by Customer. NEOED's ability to transmit data is subject to the provision of a current functional interface between HRIS Services and the carriers' systems. NEOED will not be obligated to transmit Customer's data to carriers if at any time Customer's carriers fail to provide the proper interface as solely determined by NEOED. If Customer requires development of any special or customized interfaces to transmit such data, all work performed by NEOED to create such interfaces will be at NEOED's then current fees for such services. NEOED makes no warranty that each carrier's specifications will conform with NEOED's current functional interfaces. In the event a carrier provides formats or specifications not supported by the NEOED HRIS Services, Customer will be solely responsible for transmitting the data to such carrier using an alternative system to be determined solely by Customer. Customer shall be responsible for promptly reviewing all records of transmissions to carriers and other reports prepared by NEOED for validity and accuracy according to Customer's records, and Customer will notify NEOED of any discrepancies promptly after receipt thereof.

## **Payroll Services – Additional Terms**

The following terms shall apply to the extent that Customer orders the NEOED Payroll Services module:

1. Payroll Processing and Tax Filing. NEOED will deliver (i) payroll administrative services to Customer through NEOED's payroll software as a service (the "Payroll Module"), (ii) at Customer's election, direct deposit administration to those employees electing such service via ACH processing (collectively referred to as the "Payroll Services"), remit payroll taxes on Customer's behalf to those federal, state, and local taxing jurisdictions designated by Customer, and file related tax returns (such as remitting of payroll taxes and filing of related tax returns, the "Tax Services"). At NEOED's then current fees, NEOED may also process calendar year-end W-2 forms for Customer's employees and Forms 1099-MISC. NEOED will, and Customer hereby authorizes NEOED and Fulfillment Partners to, initiate debits or reverse wire transfers prior to each payday for Customer's payroll ("Paydate") and credit the bank accounts of Customer's employees and others to be paid by Customer by direct deposit payment on Paydate (a "Payee"), all in compliance with the operating rules of the National Automated Clearing House Association and the terms and conditions hereof. For purpose of clarity, the parties understand and agree that NEOED does not print and/or send paychecks for or on behalf of Customer.
2. Documentation and Required Information.

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- a) Authorization Forms; Proof of Name. Customer will be required to complete and submit the following documents in order to use the payroll processing components of Payroll Module: (i) power of attorney forms for each jurisdiction in which Customer will use the HRIS Services (the “POA”), (ii) Authorization to Debit/Credit Bank Account(s)/Obtain Bank Account Information (the “Authorization Form”), (iii) an IRS proof of legal name/FEIN and (iv) any authorization form for Fulfillment Partner authorizing debiting and crediting Customer’s bank account.
  - b) Proof of Existence. Customer will provide NEOED, and authorize NEOED to provide to Fulfillment Partner, Customer’s (i) legal name, and “doing business as” name if applicable, (ii) physical street address (not a PO Box or PMB), (iii) phone number, (iv) Primary Business Activity (Nature of Business), (v) Duns Number (if one exists), (vi) Tax ID Number, (vii) estimated transaction count and dollar volume, (viii) number of employees, and (ix) supporting evidence via (A) either certified Articles of Incorporation, IRS EIN Letter, unexpired government issued business license, trust instrument or other government-issued evidence showing legal existence, and (B) either a voided business check, copy of utility bill, other evidence of legal name, physical address, DBA Name, or Tax ID.
  - c) Permitted Disclosure Authorization. Customer hereby authorizes NEOED to (i) provide Customer’s data to Fulfillment Partner for the purposes of performing the Payroll and Tax Services, and (ii) take such action as is necessary to perform the Payroll and Tax Services.
  - d) Time and Attendance Information. Prior to commencement of Time and Attendance Services, Customer shall provide to NEOED all necessary information and guidance relating to its time and attendance policies and guidelines and coordinate with NEOED to establish standards for NEOED in its execution of the Time and Attendance Services. Customer agrees to promptly comply with NEOED’s request for such additional documentation and understands that Payroll or Tax Services may be impaired or delayed if Customer does not comply with such request.
3. Customer Obligations, Representations, and Warranties. Customer acknowledges that NEOED’s obligation to perform the HRIS Services is subject to Customer’s obligations, representations, and warranties. Customer represents and warrants the following:
- a) Processing Authorization. Customer authorizes NEOED to process payroll entries on behalf of Customer. Customer acknowledges that NEOED is acting solely in the capacity of data processing agent and is not a source of funds for Customer. Customer shall be liable for each payroll related transaction initiated by NEOED on behalf of Customer, whether by electronic entry or wire transfer. NEOED, or its Fulfillment Partners, electronically transmit employee data, including employee payroll data, to designated third parties, and Customer authorizes NEOED and its Fulfillment Partners, to provide such transmission on Customer’s behalf. Customer agrees that NEOED maintains specific Fulfillment Partner(s) for NEOED Payroll and Tax Services fulfillment during the term of and in accordance with this Services Agreement and that Customer shall not, directly or indirectly, supplement, substitute, or otherwise modify the provision of such Payroll and Tax Services without terminating this Services Agreement.
  - b) Information Accuracy; Reliance; Change Notice. Customer shall input, maintain, and verify the accuracy of any and all information, including payroll and tax information, and Customer shall continually ensure that such information is kept complete, accurate, delivered on time, and up to date at all times. Customer acknowledges that NEOED and NEOED Fulfillment Partners will rely on the accuracy of this information as it performs its requested functions. NEOED shall not be responsible for any delays or inaccuracies in Customer’s delivery of data to NEOED. Customer will notify NEOED immediately of any change in the processing information, including the Authorization Form. Customer will also obtain a voluntary written authorization from any Payee prior to the initiation of the first credit to the account of such Payee and shall provide upon demand a copy of such written authorization to NEOED.
  - c) Processing Deadlines. Unless otherwise agreed to by the Parties, Customer will: (a) complete and execute all required documentation so that NEOED or Fulfillment Partner may withdraw funds from Customer’s account to process direct deposit payrolls, (b) input or report all relevant payroll data for ACH transmissions to NEOED no later than 2:00 p.m. Pacific Standard Time (PST) three (3) banking days prior to each Paydate, (c) input or report all other relevant payroll data to NEOED no later than 2:00 p.m. Pacific Standard Time (PST) two banking days prior to each Paydate, (d) have available in Customer’s bank account good, collectable funds in a sufficient amount to cover funding disbursements, checks, direct deposits, tax payments, or recurring payments to third parties no later than the opening of business (i) two banking days prior to each Paydate for debits by electronic entry, and (ii) two banking days prior to each Paydate for funding by wire transfer, and (e) compare all reports on credits or debits initiated by Customer to NEOED’s records and promptly notify NEOED of any discrepancies. In the event Customer does not meet the deadlines specified herein, NEOED shall make reasonable efforts to complete processing prior to the Paydate; however, NEOED makes no representation or warranty that payroll will process by the Paydate where Customer fails to provide all required documentation by the deadline. Additional Fees may apply for expedited processing.

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- d) Customer Review. Within seven (7) business days after receipt from NEOED, Customer will promptly conduct a detailed review of all payroll and tax registers produced by NEOED or Fulfillment Partners for accuracy, validity and conformity with Customer's records. Customer will promptly notify NEOED of any error or omission discovered by Customer in any payroll registers, disbursement records, payroll or tax reports and documents produced by NEOED or Fulfillment Partners, or any discrepancy between the information provided by NEOED or Fulfillment Partners, and Customer's records. Customer will not rely on any record, report or document containing any discovered error, omission or discrepancy until such error, omission or discrepancy, has been corrected. Customer will be responsible for any consequences resulting from instructions Customer may give to NEOED or Fulfillment Partners with regard to HRIS Services or any payroll registers, disbursement records, reports and documents prepared by NEOED based on information provided by Customer.
  - e) Document Retention. Customer will retain copies of all information entered into or generated by the HRIS Services and Customer shall be solely responsible for maintaining such data, and all tax records, in accordance with any legal obligations.
  - f) Special Processing. Customer understands and acknowledges that administering processing dates beyond standard payroll dates, and correcting, amending, or cancelling payroll entries or mistaken reversals (collectively "Special Processing"), are complicated, highly manual, and may result in additional expenses, tax consequences, and penalties. Therefore, Special Processing may be subject to additional NEOED Fees.
  - g) Recovery Cooperation. Customer agrees to undertake reasonable efforts to cooperate with NEOED and any other parties involved in processing any transactions hereunder to recover funds credited to any employee as a result of an error made by Customer, NEOED, or Fulfillment Partners, or any other loss recovery efforts and in connection with any actions that the relevant party NEOED may be obligated to defend or elects to pursue against any third-party.
  - h) Compliance with Laws. Customer acknowledges that, in order to put into effect the Payroll Services which include ACH transactions, Customer will be the Originator of the ACH transactions and will follow and be bound by the rules for ACH Originators as adopted from time to time by the NACHA. Customer agrees that it has assumed the responsibilities of an Originator under the ACH Rules and acknowledges that entries may not be initiated in violation of the laws of the United States. Customer agrees to be compliant with laws. Customer will comply with all laws including, but not limited to, the U.S. Patriot Act, the Unlawful Internet Gambling Enforcement Act, the Bank Secrecy Act, and Anti Money Laundering laws.
4. Effect of Failed Funds. If Customer fails to pay the taxes, direct deposits, employee payments or other charges, including fees, then Customer agrees to pay NEOED for all costs of collection, including reasonable attorney fees, which may be associated with collection of the amounts due. NEOED also may, at its sole option, terminate this Services Agreement and withhold or suspend any work in progress. This is in addition to any other rights NEOED may have under this contract or under law. NEOED also reserves the rights to reverse employee transactions and /or tax payments for which funds have not been received from Customer.
  5. Rejection of Entries. NEOED shall reject any file or entry that does not comply with the requirements of this Services Agreement, the NACHA Rules, or uses an improper SEC Code, or if NEOED suspects fraud or illegal or improper activity. NEOED shall have no liability.
  6. Resolution of Error Exceptions. For the purposes of this Section, the term "error exception(s)" shall mean any data requirements within the HRIS Services that, based on Customer's configuration, have been assigned a severity level designation of "error"; such designation shall create a requirement for an operational task to be completed by Customer in order to proceed with Customer's processing, including processing of Customer payroll for the designated period. Failure to resolve an error exception will prevent Customer's payroll from being processed as scheduled. NEOED is not obligated to clear any such error on behalf of Customer.
  7. NEOED Errors and Omissions Warranty. NEOED warrants it will use commercially reasonable efforts to properly transmit the appropriate reports, data, or filings based on the information provided in Customer's HRIS Services. In addition, NEOED will use commercially reasonable efforts to rectify any Customer report, data, or filing error, including any deposit, corrected or reversal debit or credit entry, for which NEOED is solely responsible; provided that, in each case Customer advises NEOED no later than ten (10) business days after the occurrence of such errors or omissions. This is Customer's sole remedy in the event of a breach of the foregoing warranty. Notwithstanding the foregoing, Customer will be solely responsible for payment of all tax penalties, interest, and additional NEOED fees if: (i) the penalty is the result of incorrect, inaccurate, or incomplete information Customer provides to NEOED, (ii) Customer has insufficient funds in Customer's designated bank account to process HRIS Services, or (iii) a party other than NEOED, or a NEOED Fulfillment Partner, fails to perform services in a timely manner.

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8. Additional Liability and Warranty Limitations. NEOED, ITS PROVIDERS, AND FULFILLMENT PARTNERS, AND THE OFFICERS, DIRECTORS, EMPLOYEES, AND SUPPLIERS OF EACH WILL NOT BE LIABLE UNDER ANY CIRCUMSTANCES OR UNDER ANY THEORY OF RECOVERY (WHETHER IN CONTRACT OR TORT OR OTHERWISE) FOR (i) ANY FEES, COSTS, CHARGES, OR ANY DAMAGES CAUSED BY LOST SHIPMENT OR TRANSMISSION OF CHECKS OR ANY FORM OF DISBURSEMENT INCLUDING, BUT NOT LIMITED TO, STOP PAYMENT FEES, REPRINTING OR RETRANSMISSION COSTS, SHIPPING CHARGES, OR CONSEQUENTIAL EXPENSES AND DAMAGE, (ii) ANY CHARGES, FEES, OR EXPENSES INCURRED BY CUSTOMER, CUSTOMER'S AGENTS, OR EMPLOYEES WHICH ARE DUE TO LATE PAYCHECKS, REGARDLESS OF WHETHER SUCH PAYCHECKS ARE TO BE PREPARED AND DELIVERED BY NEOED, FULFILLMENT PARTNERS, OR BY CUSTOMER, (iii) NON-PERFORMANCE OF HRIS SERVICES WHICH HAVE BEEN SUSPENDED DUE TO FAILURE OR DELAY IN PAYMENT OF FEES OWED UNDER THIS SERVICES AGREEMENT, AND (IV) FOR ANY DAMAGES TO CUSTOMER ARISING FROM OR IN CONNECTION WITH A DECISION BY NEOED TO SUBMIT FILES FOR PROCESSING AFTER CUSTOMER HAS FAILED TO CLEAR OUTSTANDING ERROR EXCEPTIONS WITHIN THE SPECIFIED DEADLINE.
  
9. Additional Termination Rights.
  - a) Termination for Default. Customer's breach of the NACHA Rules, violation of any applicable federal or state regulation, or failure to maintain account funding as required by this Services Agreement (and as a result any debit to Customer's account is returned), shall each constitute a default. Upon default, NEOED may suspend the HRIS Services or terminate this Services Agreement in a manner that permits NEOED to comply with the NACHA Rules. Termination is effective immediately upon written notice of such termination to Customer. The right to suspend the HRIS Services and/or terminate this Services Agreement is in addition to any other rights and remedies provided under this Services Agreement or otherwise under law.
  
  - b) Effect of Termination. No termination of this Services Agreement shall release Customer from any obligation to pay NEOED any amount that has accrued or becomes payable at or prior to the date of termination. No suspension of HRIS Services shall release Customer from any obligation to pay NEOED any amounts due under this Services Agreement. Customer shall not be entitled to any refund of any amounts paid to NEOED as a result of a termination based on Customer's default. Notwithstanding the termination of this Services Agreement, the parties shall continue to comply with the NACHA Rules with respect to transmissions pursuant to this Services Agreement.