

# Restaurant365

## R365 PAYROLL SERVICE AGREEMENT

This Service Agreement (the "**Agreement**") is entered into by and between the organization named below (HEREIN referred to as the "**Client**") and Restaurant365 (HEREIN referred to as "**R365**"), a Delaware Corporation whose physical address is 500 Technology Drive, Suite 200, Irvine, CA, 92618 according to the listed effective date. This service and technology are provided in partnership with Automatic Payroll Systems, Inc. (HEREIN referred to as "**APS**"), a Louisiana Corporation whose physical address is 3010 Knight Street, Suite 300, Shreveport, LA 71105.

Client (Legal Name): \_\_\_\_\_  
Address: \_\_\_\_\_  
City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_  
State of Incorporation: \_\_\_\_\_ EIN: \_\_\_\_\_  
Contact Officer: \_\_\_\_\_  
Title: \_\_\_\_\_  
Effective Date: \_\_\_\_\_

### 1. GENERAL TERMS

**1.1 Services.** R365 shall provide payroll, tax filing, time and attendance, human resources ("**HR**"), self-service benefits administration, recruiting, onboarding and other data processing services, including related web hosting services (the "**Services**") all in accordance with the final sales quote agreed upon by Client and R365 (the "**Sales Order**"), which is incorporated herein and made a part hereof for all purposes. Client acknowledges and agrees that R365 nor APS will not be deemed to be providing legal, financial, benefits, or tax advice to Client as a result of the Services provided herein.

**1.2 Use of Services.** Services include confidential and proprietary information. Client shall use the Services only for its internal business purposes. Client shall not provide, directly or indirectly, any of the Services or any portion thereof to any other party. Client shall not provide service bureau or other data processing services that make use of the Services or any part thereof without the express written consent of R365. Client represents that it has verified the identity of each of its employees to whom it will make payments using Services through appropriate documentation provided by such employee (e.g., I-9 documentation). Client shall be responsible for ensuring that its employees, plan participants and any other persons authorized by Client to access or use the Services comply with all the terms of this Agreement.

**1.3 Proprietary Protection and Restrictions.** R365 and APS have and shall have sole and exclusive ownership of all rights, title, and interest in the Services and all modifications and enhancements thereof (including ownership of all trade secrets, copyrights, and intellectual property rights pertaining thereto). Client is only permitted to use the Services provided by R365 for its own employees and is not permitted to provide data processing services or to otherwise provide payroll or human resource record keeping services for third parties.

**1.4 Ownership and Use of Intellectual Property.** During the term of this Agreement, as a result of R365's efforts under this Agreement, R365 may generate ideas, inventions, suggestions, copyrightable materials or other information ("Intellectual Property"). R365 shall have title to such Intellectual Property. To the extent such Intellectual Property is incorporated into Services to be produced by R365 and

# Restaurant365

delivered to Client under this Agreement, R365 grants and Client hereby accepts a royalty-free, non-exclusive license to use all such Intellectual Property as incorporated into the Services.

**1.5 R365 Support Services.** R365 shall maintain a Client Support Center (“**CSC**”) that will utilize a ticketing system to receive service requests and reports of software irregularities. Client may report software or operator problems and seek assistance in the use of the Services. R365 will maintain a product-trained and knowledgeable staff capable of rendering the Services set forth in this Agreement. R365 will use all reasonable diligence to correct verifiable and reproducible errors when reported to the CSC.

**1.6 R365 Client Implementation Services.** R365 shall provide to Client, implementation services by product-trained and knowledgeable staff capable of rendering such Services as defined in Exhibit A. Fees for implementation services provided in this section shall be billed as specified in the Sales Order.

**1.7 Software Services and Responsibilities.** “**Software Services**” consist of R365 providing the necessary network infrastructure, computer hardware, third party software, database administration services and connectivity point at the production environment in accordance with R365’s then standard procedures.

**1.8 Software Hosting Services.** The following information applies to hosted Software Services.

- R365 shall provide the hosting environment(s), including hardware and software, required to host the site(s) for the applicable hosted product (the “**Systems**”) and the operation and required maintenance of such Systems. The Systems may be used to provide similar services to other clients.
- The Systems shall be deployed at Uniform Resource Locators (“**URLs**”) to be selected, registered and owned by R365.
- In the event that R365 discovers and/or Client reports to R365 through its CSC that a System for a Service provided to Client is experiencing an outage or an operational issue, R365 will resolve such issue as soon as possible, giving priority to outages and significant operational issues.
- The service level objective for Systems availability is ninety nine and nine tenths percent (99.9%) of the time measured over three (3) consecutive months, not to include the hours required for scheduled maintenance as defined in Exhibit B. R365 will notify Client of unscheduled system downtime with as much advance notice as possible following R365’s identification of the need for such unscheduled downtime.
- Client will be responsible to provide connectivity between Client’s location(s) and the Internet. Client agrees that R365 will have no liability for and Client 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 Client’s location(s) to the Internet.

**1.9 Effective Date, Term and Termination.** This Agreement shall become effective as to the parties on the Effective Date, at which time the parties shall commence the implementation phase per Exhibit A. The Initial Term of this Agreement shall be a period of twelve (12) months from the first of the month after the Client is granted Full Access per Exhibit A(2)(e) or the month the Client processes a live payroll, whichever is earlier (the “**Initial Term**”). Client may not terminate this Agreement during this Initial Term except as set forth herein. This Agreement shall automatically renew for successive renewal terms of one (1) year, each such one (1) year renewal being referred to as a “**Renewal Term**”. Either party may terminate this Agreement at the end of the Initial Term by providing written notice of termination at least sixty (60) days before expiration of the Initial Term. After the Initial Term, either party may terminate this Agreement effective at the end of a Renewal Term by providing written notice at least sixty (60) days prior to the end of the Renewal Term. Either party shall have the right to terminate this Agreement, at any time during the Initial Term or during any Renewal Term, upon thirty (30) days prior written notice of any

# Restaurant365

breach hereof by the other party, provided that the party in breach has not cured said breach within said thirty (30) day period. In the event of early termination by Client during the Initial Term or any Renewal Term (for any reason other than an uncured breach by R365), Client agrees to pay R365 for the remaining months or partial months of the then current term.

## 2. DATA

**2.1 Client Data.** Client shall retain ownership of the entire right, title and interest in and to all materials, data and information provided by Client to R365, including without limitation, Client Data and Client Confidential Information, and all intellectual property rights thereto. No ownership rights in such materials, data and information are transferred to R365. Client shall be solely responsible for updating and maintaining the completeness and accuracy of all Client Data. Client grants R365 a right to use Client Data for the purpose of performing the Services for Client. Client acknowledges that certain functions of the Services allow Client's employees or participants to input information into the self-service portions of the Services. R365 shall have no responsibility to verify, nor does R365 review the accuracy or completeness of the information provided by Client's employees or participants to R365 using any self-service portion of the Services. R365 shall be entitled to rely upon such information in the performance of the Services under the Agreement as if such information was provided to R365 by Client directly. While the Services' self-service features permit employees or participants to elect to receive pay statements and tax forms electronically, it remains the responsibility of Client to ensure that employees or participants receive pay statements and tax forms as required by law.

**2.2 Accuracy of Client Information, Review of Data.** All Services provided will be based upon information provided to R365 by Client (including proof of federal, state, and local tax identification numbers). Upon receipt from R365, whether electronically or otherwise, Client will promptly review all disbursement records and other reports prepared by R365 for validity and accuracy according to Client's records and Client agrees that it will promptly notify R365 of any discrepancies.

Client has the final and ultimate responsibility for verification of payroll data and checking the accuracy of payments to be issued to employees. Client has the final and ultimate responsibility for checking the accuracy of and the remittance of any non-tax payments, such as voluntary deductions and garnishments.

**2.3 Protection of Client Data.** R365 will employ commercially reasonable storage (including backup, archive and redundant data storage, on-site and off-site) and reasonable precautions to prevent loss of or alteration to Client's data in R365's possession, but R365 does not undertake to guarantee against any such loss or alteration. R365 is not, and will not be, Client's official record keeper. Accordingly, Client will, to the extent it deems necessary, keep copies of all source documents containing the information delivered to R365.

**2.4 Password Protection.** Client agrees to maintain the privacy of usernames and passwords associated with Services. Client is fully responsible for all, injuries, damages and other activities that occur as a result of the unauthorized or improper use of Client's usernames, passwords or Internet account due to Client's failure to protect same. Client agrees to (i) immediately notify R365 of any unauthorized use of Client's password or Internet account or any other breach of security, and (ii) ensure that Client exits from Client's Internet account at the end of each session. R365 shall not be liable for any damages incurred by Client or any third party arising from Client's failure to comply with this section.

**2.5 No Transfer, Modification, etc.** Client shall not assign, loan, sublicense, alter, modify, adapt (or cause to be altered, modified or adapted), reproduce, duplicate, copy, sell, trade, resell or exploit for any commercial purposes, all or any portion of the Services or any access or use thereof. Client will not write

# Restaurant365

or modify interfaces or reports to any Services except as expressly authorized by R365. CLIENT WILL NOT RECOMPILE, DISASSEMBLE, REVERSE ENGINEER, OR MAKE OR DISTRIBUTE ANY OTHER FORM OF, OR ANY DERIVATIVE WORK FROM SERVICES.

**2.6 Confidential Information.** R365 and Client will not knowingly disclose to any third party, or make use of any Confidential Information during the term of this Agreement and thereafter. 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, names of employees, Client companies, its manner of operation, the nature, or descriptions of, its plans, processes or data of any other kind. This Agreement shall not be deemed to prevent the disclosures of information after having received prior consent from the other Party. This Agreement 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, although R365 remains responsible for the confidentiality obligations as set forth in this Agreement, R365 reserves the right to have Confidential Information processed, managed and/or stored with third parties.

## 3. SERVICES

**3.1 Payroll Attendance.** The terms of this section shall apply only to the extent Client is receiving Payroll Attendance services pursuant to the Sales Order.

- a) **Payroll Attendance Products.** R365, or its authorized agent(s), agrees to provide Client with the time and attendance application, and related services (collectively, the “**Attendance Products**”) described in the Sales Order.
- b) **Installation.** Client shall provide and install all power, wiring and cabling required for the installation of any data collection devices.
- c) **Client Review.** Upon completion of any setup or other services referenced in this section, Client shall review Client data included in the Attendance service by R365. R365 shall have no liability to Client for any errors or inaccuracies in Client data, including but not limited, to the calculation of regular time, overtime, or any other compensatory time included in such service by R365.

**3.2 HR and Benefits.** The terms of this section shall apply only to the extent Client is receiving human resources (“HR”) and/or benefits services pursuant to the Sales Order.

- a) **Initial Setup Services.** Client shall promptly deliver to R365 the Client Data required by R365 to perform initial setup services. Such information and materials shall be in an electronic file format acceptable to R365.
- b) **Additional Configuration.** After completion of initial setup services, any subsequent changes Client requests to the configuration of Client Data related to HR and/or benefits will be charged at R365’s then current maintenance or professional services fees.
- c) **Client Review.** Upon completion of any setup Services or Services referenced in this section, Client shall review Client data included in the HR and/or benefits service by R365. R365, or its authorized agent(s), shall have no liability to Client for any errors or inaccuracies in Client Data included in such service by R365.

# Restaurant365

**3.3 R365 Carrier Connections.** If Client is receiving the HR and Benefits Services and elects the R365 Carrier Connections service, R365, or its authorized agent(s), will electronically transmit employee data, including employee benefits enrollment data, to Client's carriers or other third parties authorized by Client, and Client authorizes R365 and its authorized agent(s), to provide such transmission on Client's behalf. Additionally, commencement of the Carrier Connections service is subject to Client completing the configuration setup of Client Data and the format of such transmission to the designated carriers. The terms for setup Services and subsequent setup Services set forth above will apply to setup for the Carrier Connections Service. R365's ability to transmit Client's employee benefits enrollment data is subject to the provision by the designated carriers of a current functional interface between the R365 benefits service and the designated carriers' systems. R365 will not be obligated to transmit Client's data to the designated carriers if at any time Client's designated carriers fail to provide the proper interface as described above. If Client requires the development of any special interfaces in order to transmit such data to the designated carriers, all work performed by R365 to create such interfaces will be at R365's then current fees for such Services. Client is responsible for promptly reviewing all records of carrier transmissions and other reports prepared by R365 for validity and accuracy according to Client's records, and Client will notify R365 of any discrepancies promptly after receipt thereof. In the event of an error or omission in the Carrier Connections services caused by R365, R365 will correct such error or omission, provided that Client promptly advises R365 of such error or omission.

**3.4 HR Support Center.** Pursuant to the Sales Order, if purchased, Client shall be provided with access to an online HR library containing human resource content and tools, which may also include an HR on-demand service or HR complete service that provides clients with access to HR Professionals. Warranties, if any, for the third party services shall be provided directly by the third party provider to Client and Client acknowledges that neither the HR Support Center or related services are the responsibility of R365, or its authorized agent(s).

**3.5 Net Pay Reconciliation.** The terms of this section shall apply only to the extent Client is receiving Net Pay Reconciliation services pursuant to the Sales Order. R365 shall provide to Client the physical checks issued as the result of the submission and release of a payroll batch or individual employee check requests that are generated by Client and printed by R365. These checks are issued on an R365 bank account, are electronically signed and sealed by R365, and delivered to Client per its pre-selected delivery method. Client shall not distribute checks to employees prior to the payroll check date. In the event that a check issued by R365 on behalf of Client is requested to be voided by Client for any reason, Client shall complete and submit to R365 the void affidavit form and will incur a stop payment fee of \$30.00 per voided check.

Client shall be responsible for verifying that (1) all payroll checks have been received prior to distributing such checks to employees and (2) that the appropriate employees received their checks. R365, or its authorized agent(s), shall not be responsible for any losses due to a lost, stolen, destroyed, or fraudulently cashed check, and Client agrees to release, indemnify, defend and hold R365 harmless from and against all costs and expenses (including attorney fees) in any way related to such losses.

R365 shall refund to Client uncashed checks on a quarterly basis that have not been presented for payment for period of at least 120 days from the date of issue. In the event that a previously refunded check is cashed, R365, or its authorized agent(s), will draft Client's account for the amount of the check that was cashed. Refunded checks are considered unclaimed property and it is Client's responsibility to comply with all federal and state escheatment laws regarding unclaimed property.

# Restaurant365

**3.13 Service Fees.** Upon commencement of the Initial Term, Client will be charged monthly for all Services contracted by Client, regardless of use. Client agrees to have R365 fees directly drafted from Client's DDA for all Services. Fees will be drafted on or about the 10<sup>th</sup> of the month for the Services available the prior month (the "**Billing Month**"). R365 shall provide three (3) days advance notice of the amount to be drafted for the Billing Month, and the date of same. R365 shall charge for the Services in the Billing Month based on the compensated employee count during that month. If Client does not run a payroll, the Services shall be based on the most recent active employee count.

## 4. MISCELLANEOUS

### 4.1 Limited Warranty

- a. R365 warrants that it has the right to provide the use of the Services, and that there are no pending liens, claims, or encumbrances against the software.
- b. R365 warrants to Client that it is solvent, not in bankruptcy proceedings or receivership, nor is it engaged in any proceedings, which would have an adverse effect on its ability to perform its obligations under this Agreement.
- c. R365 WARRANTS THAT THE SERVICES RENDERED WILL CAUSE THE SERVICES TO SUBSTANTIALLY PERFORM IN ACCORDANCE WITH THE R365 DOCUMENTATION. R365 WILL MAKE ALL NECESSARY CORRECTIONS TO FULFILL THE FOREGOING WARRANTY WITHOUT ADDITIONAL COST TO CLIENT. IN NO EVENT SHALL R365 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.
- d. R365 HEREBY DISCLAIMS ALL WARRANTIES, OTHER THAN THOSE SET FORTH IN THIS AGREEMENT, EXPRESSED OR IMPLIED, INCLUDING THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE. R365 DISCLAIMS ALL WARRANTIES AND RESPONSIBILITY FOR THIRD PARTY SOFTWARE WHICH SHALL BE THE SOLE OBLIGATION OF THE PROVIDER OF THE THIRD PARTY SOFTWARE.

**4.2 Insurance.** Upon request APS or R365 shall provide Client with a Certificate of Insurance verifying insurance coverages below before providing service to Client.

- a. **General Liability.** APS or R365 shall maintain a commercial general liability insurance policy with umbrella coverage with a limit of at least \$1,000,000.00 for each occurrence.
- b. **Worker's Compensation.** APS or R365 shall maintain such insurance as will protect APS and R365 from claims under the Worker's Compensation Acts.
- c. **Security and Privacy Liability.** APS shall maintain a "Cyber Policy" with a limit of at least \$5,000,000.00.
- d. **Employee Theft and Funds Transfer Fraud.** APS shall maintain a "Crime Policy" with a limit of at least \$1,000,000.00.
- e. **Professional Liability.** APS shall maintain such insurance policy with a limit of \$1,000,000.00.

**4.3 Audits.** R365 will have, at a minimum, an annual audit of its General Controls including, but not limited to, information security controls, performed by a third-party audit firm based on the Service Organization Controls ("**SOC**") audit standard report or equivalent. Upon request, R365 will make

# Restaurant365

available to Client for review annually, its SOC audit report or equivalent. R365 asserts that data included in the audit report is trade secret data and should be treated as Confidential Information pursuant to Section 2.6. Client agrees to treat such audit data as Confidential Information. Any control exceptions noted in the SOC report or equivalent will be addressed in the report with management's response or corrective action.

**4.4 Indemnification.** To the extent of the obligations assumed by or allocated to R365 in this Agreement, R365 shall defend and indemnify Client, its officers, agents, and employees and hold them harmless from and against all judgments, claims, damages, costs and expenses, including a reasonable amount as and for its attorney's fees paid, incurred or for which it may be liable resulting from claims for injuries or damages or based on an intellectual property claim. To the extent of the obligations assumed by or allocated to Client in this Agreement, Client shall defend and indemnify R365, its officers, agents, and employees and hold them harmless from and against all judgments, claims, damages, costs and expenses, including a reasonable amount for its attorney's fees paid, incurred or increase for which it be may liable resulting from claims for injuries or damages.

**4.5 Force Majeure.** Any party hereto will be excused from performance under this Agreement for any period of time that the party is prevented from performing its obligations hereunder as a result of an act of God, war, utility or communication failures, or other cause beyond the party's reasonable control. Both parties will use reasonable efforts to mitigate the effect of a force majeure event.

**4.6 Waiver.** The failure of either party at any time to enforce any right or remedy available to it under this Agreement with respect to any breach or failure by the other party shall not be construed to be a waiver of such right or remedy with respect to any other breach or failure by the other party.

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

**4.8 Severability.** If any of the provisions of this Agreement shall be invalid or unenforceable, such invalidity or unenforceability shall not invalidate or render unenforceable the entire Agreement, but rather the entire Agreement shall be construed as if not containing the particular invalid or unenforceable provision or provisions, and the rights and obligations of Client and R365 shall be construed and enforced accordingly.

**4.9 Relationship of the Parties.** The parties hereto expressly understand and agree that each party is an independent contractor in the performance of each and every part of this Agreement, and is solely responsible for all of its employees and agents and its labor costs and expenses arising in connection therewith.

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

**4.11 Use of Agents.** R365 may designate any agent or subcontractor to perform such tasks and functions to complete any services covered under this Agreement, and any such agent or subcontractor shall be bound by the terms and conditions of this Agreement. However, nothing in the preceding sentence shall relieve R365 from responsibility for performance of its duties under the terms of this Agreement.

**4.12 Conflicts Clause.** In the event of a conflict between the terms of this Agreement (including the Sales Order) and any additional terms, the terms of this Agreement shall control, unless an Addendum to

# Restaurant365

this Agreement is executed simultaneously herewith or subsequently hereto, in which case the terms of such Addendum shall control.

**4.13 Amendment.** R365 reserves the right to amend the service terms provided in the Sales Order at any time after the initial term, but never more often than once every twelve (12) months. Client and R365 agree that any such increase shall never be more than six (6%) percent more than the prior effective rates.

**4.14 Additional Companies Covered by this Agreement.** To the extent this Agreement applies to additional companies as "Client", such additional companies are listed on the attached Exhibit "E" and are made parties hereto by said Exhibit "E".

**4.15 Entire Agreement.** This Agreement, including Exhibits A,B, C, D and E, represents the entire understanding of the Parties with respect to the subject matter, and supersedes and extinguishes all prior oral or written representations, understandings or agreements.

**4.16. Survival.** Expiration or termination of this Agreement for any reason shall not release either party from any liability or obligation set forth in this Agreement which (i) the parties have expressly agreed will survive any such expiration or termination, or (ii) remain to be performed or by their nature would be intended to be applicable following such expiration or termination.

This agreement may be considered as an application for credit and authorizes R365, to investigate the credit of Client or its principals including vendor references, bank account status and history.



# Restaurant365

**Agreed and Accepted:**

**Restaurant365**

\_\_\_\_\_  
Authorized Signature

\_\_\_\_\_  
Authorized Signature

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Title

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date

# Restaurant365

## EXHIBIT A

### Implementation Services

**1. Description of Implementation Services.** The standard R365 Payroll implementation services follow a proven repeatable process that enables implementation team members to stay on task and meet multiple client deadlines utilizing a project management driven system. The services to be provided include:

- Configuration of Client company profile and products contracted in the Sales Order.
- Client training via online class offerings.
- Custom development as defined in a signed Statement of Work (“**SOW**”).
- Data conversion of Client’s current and historical data as defined in the Sales Order and Section 5 of this Exhibit.
- Data validation of Client’s current payroll process by running an internal parallel payroll.

**2. Project Phases.** The implementation process consists of six (6) major phases. There are approximately two-hundred (200) tasks in any given project that R365, or its authorized agent(s), will perform in relation to the phases listed below which are intended to provide Client with a basic understanding of each phase.

**(a) Kickoff Call**

- Collaboration between Client, R365 Sales, Implementation and stakeholders.
- Confirmation of company configuration, including but not limited to incomes, deductions, accruals, departments and locations.
- Determine processing for receiving employee demographic data.
- Confirm key project dates.
- Resolve project issues.
- Implementation fee(s) will be applied to the Billing Month of the Kickoff Call.

**(b) Limited Access**

- Client account administrator access to R365 Payroll.
- Client to confirm/approve income and deduction settings prior to data conversion.
- Client to create additional R365 Payroll user accounts.

**(c) Data Conversion**

- Employee demographic mapping and import into R365 Payroll.
- Payroll history mapping and import into R365 Payroll.

**(d) Parallel Payroll**

- Processing of most recent Client payroll from previous system in R365 Payroll OnLine.
- Provide client communication of outcome.
- Issue resolution.

**(e) Full Access**

- Completion of Implementation phases a, b & c.
- Client granted access to consoles contracted in the Sales Order.
- Beginning of Initial Term.

**3. Client Responsibilities.** Client participation in the implementation process is crucial to the overall success of the project. Below are the expected Client responsibilities:

# Restaurant365

- Provide a payroll register. Payroll registers provide a tremendous amount of insight into how Client's current system is configured. In certain cases, additional reports may be needed if the payroll register or similar report does not contain the information needed to complete the company configuration.
- Provide data in a usable format or provide R365 access to download data.
- Establish a Client Project Manager that channels client activities and communication to the R365 Project Manager.
- Supply the IT or technical resources needed for data conversion mapping and SOW approval.
- Review and approve company configuration including income and deduction codes.
- Setup users in R365 Payroll and managers for manager self service.
- If not using R365 Accounting, then input the General Ledger (**GL**) mapping codes in R365 Payroll or provide the GL mapping codes in the standard R365 GL import spreadsheet.

## 4. Training.

- (a) Instructor Lead.** Instructor led training sessions are designed to be brief but thorough and are provided in conjunction with the project plan and services contracted. The Client users are expected to attend the appropriate session(s) to maximize the value of the services. R365, or its authorized agent(s), will provide at a minimum the following initial training sessions to Admin and Standard Users of R365 Payroll as well as Managers for manager self-service:

Session	Estimated Time
R365 Payroll Overview	30-45 minutes
Payroll: Session 1	30-45 minutes
Payroll: Session 2	30 minutes
GL/Reporting	30 minutes
HR: Session 1	30 minutes
HR: Session 2	30 minutes
HR: Benefits	30 minutes
HR: ACA	15-30 minutes
Hire: ATS	30 minutes
Hire: Onboarding	30 minutes

- (b) Self-Sourced.** R365 will provide training content through the Help Center which includes how-to guides, videos and PDF downloads that R365 Payroll users can access at any time.

## 5. Data Assumptions.

The standard data that R365 Payroll team will convert includes but is not limited to:

- Employee Master File - demographics, tax status, rates, deductions, accrual balances, EEO, dates, emergency contacts, events and custom fields.
- Payroll History - detailed check by check history including hour, income, deduction, and tax withholding details will be converted when provided in an acceptable electronic format for the current and previous years as indicated by the Sales Order.
- W2, 1099 and 1095 - only the data related to these forms are converted, the actual forms are not converted.

The standard data that R365 will not convert includes but is not limited to:

- Performance reviews and scores.

# Restaurant365

- Applicants for applicant tracking and employee onboarding.
- Employee documents.
- Previous time and attendance data including time off request history and schedules.

**6. Exclusion.** The following are not included in the Implementation Services:

- Creation of customizations that are not defined in an SOW signed by both parties.
- Creation of non-standard reports, alerts or dashboards.
- Creation of non-standard interfaces or web services integrations.
- Conversion of additional data not otherwise included in the Implementation Services.

**7. R365 Hire.** The following are included in the Standard Implementation Services for R365 Hire:

- 1 employee application form.
- 1 employee background check form.
- 10 standard employee onboarding forms.
- Unlimited acknowledgement forms which only require an employee signature.

The following are not included in the Standard Implementation Services for R365 Hire:

- DOT forms. These will require an SOW prior to building the form.
- Benefit enrollment forms.
- Forms beyond the 10 standard forms shall be billed at \$25.00 per form.
- Form rebuilds.

# Restaurant365

## EXHIBIT B

### R365 Payroll Software Services

**1. Description of Software Services.** R365 will provide sufficient data center capacity and infrastructure to implement the services described in this Agreement, including but not limited to:

- Execute regular backup procedures.
- Maintain business continuity process and testing.
- Provide regular software updates and releases.
- Monitor the Systems environment twenty-four (24) hours per day, every day.
- Conduct capacity planning and growth forecasting.
- Security implementation, testing and review.

**2. Service Level Objectives.**

**(a) Systems Availability.** The service level objective for Systems availability is ninety nine and nine tenths (99.9%) percent of the time measured over three (3) consecutive months. The following conditions do not apply to this objective:

- Scheduled maintenance.
- Force majeure event.
- Systemic Internet failures.
- Client's own ISP.
- Client's bandwidth restrictions, hardware, software or network failure.
- Client's acts or omissions.
- Suspension or termination of Client's account.

**(b) Recovery Point Objective (RPO).** The service level objective of the data replication and backup systems is to provide a recovery point of no more than fifteen (15) minutes. Therefore in the event of a disaster or disruption event, the potential of loss would be no more than fifteen (15) minutes of data preceding the event.

**(c) Restore Time Objective (RTO).** The service level objective of the continuity plan is to provide a restore point of no more than three (3) hours. Therefore in the event of a disaster or disruption event, service would be restored within three (3) hours.

**3. Scheduled Maintenance.** Maintenance times allow for patching, expansion, configuration, security enhancements and system testing. Routine maintenance is reserved twice per week during the hours of 12:30AM - 4:30AM (CST) Wednesday and Saturday mornings.

**4. Maintenance Notices.** In the event of intermittent connectivity or restricted access during periods of scheduled maintenance, R365 will provide advance notice at least two (2) weeks prior to the scheduled maintenance. Emergency maintenance requirements will be communicated to Client with as much notice as possible as to minimize disruption to Client.

# Restaurant365

## EXHIBIT C

### Check Printing Service

**1. R365 Responsibilities.** R365, or its authorized agent(s), shall print and ship Client's United States checks and/or Direct Deposit Advices ("DDA's) on a per payroll batch basis pursuant to the sales order.

For the purposes of this exhibit, printing and delivery are applicable to business days' only (excluding R365 holidays). Payroll batches submitted on a non-business day or R365 holiday shall be deemed to have been received on the following business day.

**2. Printing.** Each payroll batch submitted by Client that is received by 3PM in the Central time zone will be printed and shipped the same business day. For payroll batches that are submitted after 3PM in the Central time zone, R365 will make a genuine effort to print and ship such batches the same business day, but will normally be printed and shipped the following business day.

**3. Delivery Method.** The standard delivery method is FedEx Next Day Air and the optional delivery method shall be FedEx 2nd Day Air.

**4. Client Responsibilities.** Client shall provide R365 at least ten (10) business days prior written notice of any requested changes to the Client's then current check layout, including bank routing and account numbers.

**5. Fees.** The following fees are applied on a per usage basis: Payment for check printing and delivery service fees shall be included in the monthly ACH service fee draft pursuant to section 3.13 and will be detailed on the cash requirements statement.

Check	-	\$1.50 per Check
Delivery	-	\$29.00 or the estimated FedEx service rate

Payment for check printing and delivery service fees shall be included in the monthly ACH service fee draft pursuant to section 3.13 and will be detailed on the cash requirements statement.

# Restaurant365

## EXHIBIT D

### Tax ID Number Sources

TAX TYPE	Best Place or Document to Obtain Proofs																				
Federal	<p>Any current pre-printed IRS source document that includes Client's EIN and legal name can be used a proof. Proof of Client's EIN and legal name can be located on the following documents.</p> <table border="1" data-bbox="394 579 1417 1367"> <thead> <tr> <th data-bbox="394 579 907 636">Recommended Proof</th> <th data-bbox="907 579 1417 636">Description</th> </tr> </thead> <tbody> <tr> <td data-bbox="394 636 907 720">Forms 941, 941 PR, 941 SS</td> <td data-bbox="907 636 1417 720">Employer's Quarterly Federal Tax Returns</td> </tr> <tr> <td data-bbox="394 720 907 804">Forms 940, 940 EZ, 940 PR</td> <td data-bbox="907 720 1417 804">Employer's Annual Federal Unemployment Tax (FUTA) Returns</td> </tr> <tr> <td data-bbox="394 804 907 888">Forms 943, 943 PR, 943-A</td> <td data-bbox="907 804 1417 888">Employer's Annual Tax Return for Agricultural Employees</td> </tr> <tr> <td data-bbox="394 888 907 951">Forms 944, 944 PR, 944 SS</td> <td data-bbox="907 888 1417 951">Employer's Annual Federal Tax Return</td> </tr> <tr> <td data-bbox="394 951 907 1035">Forms 945</td> <td data-bbox="907 951 1417 1035">Annual Return for Withheld Federal Income Tax</td> </tr> <tr> <td data-bbox="394 1035 907 1140">Form 9779</td> <td data-bbox="907 1035 1417 1140">EFTPS Business Enrollment Form - With preprinted Taxpayer Information section</td> </tr> <tr> <td data-bbox="394 1140 907 1255">Other Source Documents</td> <td data-bbox="907 1140 1417 1255">Pre-printed prior service provider document displaying the service provider name is acceptable.</td> </tr> <tr> <td data-bbox="394 1255 907 1318"></td> <td data-bbox="907 1255 1417 1318"></td> </tr> <tr> <td data-bbox="394 1318 907 1367"></td> <td data-bbox="907 1318 1417 1367"></td> </tr> </tbody> </table>	Recommended Proof	Description	Forms 941, 941 PR, 941 SS	Employer's Quarterly Federal Tax Returns	Forms 940, 940 EZ, 940 PR	Employer's Annual Federal Unemployment Tax (FUTA) Returns	Forms 943, 943 PR, 943-A	Employer's Annual Tax Return for Agricultural Employees	Forms 944, 944 PR, 944 SS	Employer's Annual Federal Tax Return	Forms 945	Annual Return for Withheld Federal Income Tax	Form 9779	EFTPS Business Enrollment Form - With preprinted Taxpayer Information section	Other Source Documents	Pre-printed prior service provider document displaying the service provider name is acceptable.				
Recommended Proof	Description																				
Forms 941, 941 PR, 941 SS	Employer's Quarterly Federal Tax Returns																				
Forms 940, 940 EZ, 940 PR	Employer's Annual Federal Unemployment Tax (FUTA) Returns																				
Forms 943, 943 PR, 943-A	Employer's Annual Tax Return for Agricultural Employees																				
Forms 944, 944 PR, 944 SS	Employer's Annual Federal Tax Return																				
Forms 945	Annual Return for Withheld Federal Income Tax																				
Form 9779	EFTPS Business Enrollment Form - With preprinted Taxpayer Information section																				
Other Source Documents	Pre-printed prior service provider document displaying the service provider name is acceptable.																				
SIT/SUI	<p>State Income Tax and State Unemployment Identification</p> <p>Copies of recent most recently filed agency-generated tax forms. Preferred documents include the following information:</p> <ul style="list-style-type: none"> <li>- Tax frequency - how often the client is required to deposit</li> <li>- Disbursement method - how the client is required to deposit taxes; e.g. check or EFT</li> </ul>																				
Local	<p>Proofs of city/county ID numbers may be copies on the most recently filed agency-generated tax forms.</p>																				

# Restaurant365

## EXHIBIT E

### Covered Entities

Through this Exhibit, the companies described below are added to the Agreement to which this Exhibit is attached (defined as "Agreement" in page 1 of the Agreement") to the same extent as though they were named the "Client" in the introductory paragraph of the Agreement. Further, each of said companies adopt and ratify the Agreement, and hereby agree to be bound by all of the terms and conditions of the Agreement.

Client Legal Name:

EIN:

1) \_\_\_\_\_

\_\_\_\_\_

2) \_\_\_\_\_

\_\_\_\_\_

3) \_\_\_\_\_

\_\_\_\_\_

4) \_\_\_\_\_

\_\_\_\_\_

5) \_\_\_\_\_

\_\_\_\_\_

6) \_\_\_\_\_

\_\_\_\_\_

7) \_\_\_\_\_

\_\_\_\_\_

8) \_\_\_\_\_

\_\_\_\_\_

9) \_\_\_\_\_

\_\_\_\_\_

10) \_\_\_\_\_

\_\_\_\_\_

11) \_\_\_\_\_

\_\_\_\_\_

12) \_\_\_\_\_

\_\_\_\_\_

13) \_\_\_\_\_

\_\_\_\_\_

14) \_\_\_\_\_

\_\_\_\_\_

15) \_\_\_\_\_

\_\_\_\_\_

16) \_\_\_\_\_

\_\_\_\_\_

17) \_\_\_\_\_

\_\_\_\_\_

18) \_\_\_\_\_

\_\_\_\_\_



# Restaurant365

- 19) \_\_\_\_\_
- 20) \_\_\_\_\_
- 21) \_\_\_\_\_
- 22) \_\_\_\_\_
- 23) \_\_\_\_\_
- 24) \_\_\_\_\_
- 25) \_\_\_\_\_
- 26) \_\_\_\_\_
- 27) \_\_\_\_\_
- 28) \_\_\_\_\_
- 29) \_\_\_\_\_
- 30) \_\_\_\_\_

Thus done and signed, this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_.

\_\_\_\_\_  
Authorized Signer

\_\_\_\_\_  
Title

\_\_\_\_\_  
Name