

Restaurant365

Payroll Service Terms Addendum

Last updated on March 31, 2026

These Payroll Service Terms Addendum (these “Payroll Terms”), together with Restaurant365 (HEREIN referred to as “R365”) Terms of Use available at <https://www.restaurant365.com/terms/> (the “R365 Terms”) and that certain Master Subscription Agreement (the “Master Subscription Agreement”) entered into between the User (as defined in the R365 Terms) and R365 (collectively, the “Payroll Agreement”), set forth the terms and conditions under which R365, a Delaware Corporation whose physical address is 500 Technology Drive, Suite 200, Irvine, CA, 92618, agrees to provide to User certain payroll services and other related services (the “Payroll Service”), which are provided through R365’s servers.

These Payroll Terms are “Service Terms” under the R365 Terms and supplement the R365 Terms with regards to the Payroll Service. Capitalized terms used but not otherwise defined in these Payroll Terms shall have the meanings ascribed to such terms in the R365 Terms. The Payroll Agreement is a legally binding agreement between User and R365. User is encouraged to read the Payroll Agreement carefully and to save a copy of it for User’s records. If User is agreeing to these Payroll Terms on behalf of a business or an individual other than User, User represents and warrants that User has authority to bind that business or other individual to the Payroll Agreement, and User’s agreement to these terms will be treated as the agreement of such business or individual. In that event, “User” (as defined in the R365 Terms) also refers to that business or individual. By (i) clicking the applicable button to indicate User’s Service Plan choice, (ii) clicking the applicable button to indicate User’s acceptance of the Payroll Agreement, or (iii) accessing or using the Payroll Service, User accepts the Payroll Agreement, and User agrees, effective as of the date of such action, to be bound by the Payroll Agreement.

Payroll Terms

The Terms agreed to in connection with the creation of User’s Account, including but not limited to all representations, warranties, covenants, disclaimers, limitations on liability, agreements, and indemnities relating to the Services, are incorporated herein by reference, and User acknowledges and agrees that the representations, warranties, covenants, disclaimers, limitations on liability, agreements, and indemnities contained in the R365 Terms shall remain in full force and effect to the full extent provided therein.

If the terms and conditions of these Payroll Terms conflict with the terms and conditions of the R365 Terms, the terms and conditions of these Payroll Terms shall control with respect to the provision of the Payroll Service.

THE R365 TERMS, CONTAIN IMPORTANT INFORMATION REGARDING LIMITATIONS OF R365'S LIABILITY, R365'S WARRANTY DISCLAIMERS, USER'S INDEMNIFICATION OBLIGATIONS, USER'S DUTY TO MITIGATE DAMAGES, THE LAW GOVERNING THE PAYROLL AGREEMENT, AND DISPUTE RESOLUTION PROCEDURES THEREUNDER.

Subject to the terms and conditions of the Payroll Agreement, R365 agrees to use reasonable efforts to provide User with the Payroll Service in accordance with the Payroll Agreement.

User will hold out R365 as an agent providing the Payroll Services on User's behalf. User's obligation to a payee shall not be extinguished if R365 fails to remit funds to the payee.

Obligations Under the Payroll Terms

In addition to the obligations specified in these Payroll Terms, User has certain obligations under the R365 Terms, including but not limited to obligations to (i) designate an Account Administrator; (ii) be responsible for actions taken under User's Account; (iii) follow instructions that R365 provides to User with respect to the Payroll Service; (iv) provide accurate, timely, and complete information required for R365 to perform the Payroll Service and maintain the accuracy and completeness of such information; (v) notify R365 of third-party notices, such as Internal Revenue Service ("IRS") penalty notices, which could affect R365's ability to effectively provide the Payroll Service or which could increase the likelihood that a Claim is brought against User or R365 in connection with the Payroll Service; and (vi) refrain from taking certain prohibited actions, as described in further detail in the R365 Terms.

User gives R365 permission to obtain, verify, and record information that identifies the individual who creates an Account, is the intended user of an Account, or accesses the Service. R365 may ask for User's name, address, date of birth, social security number, phone number, and other information that will allow R365 to identify User. R365 may also ask to see User's driver's license or other identifying documents. User consents to and authorizes R365 to obtain credit reports about User's business, and to report adverse credit information about User's business to others, including but not limited to the Internal Revenue Service and any applicable state taxing authorities. We may, at our discretion, decline to offer the Services or use of any particular feature for any reason, including in the event that the Services enrollment process is not satisfactorily completed, we are unable to verify satisfactory credit of User's business, the User doesn't meet eligibility requirements, and/or for other lawful business reasons.

Payroll Service

Provided that User meets User's payment obligations and complies with the terms of the Payroll Agreement, then as long as User is subscribed to the Payroll Service, R365 will provide User with the Payroll Service for the purposes of (i) calculating payroll and its associated liabilities for User's business; (ii) processing payroll and making related payroll payments; (iii) making certain payroll tax payments and payroll tax filings electronically; and (iv) if applicable, sending wage garnishments, such as child support payments, to applicable local, state, or federal agencies. In performing the Payroll Service, including for each of the foregoing purposes, R365 will rely on the information furnished by User, User's Account Administrators, or User's Authorized Representatives, and R365 is not responsible or liable for any errors resulting from such reliance, as further described in the R365 Terms. User may not use the Payroll Service on a professional basis for anyone other than User, unless User is actively participating in a R365 accountant program, in which case User may use the Payroll Service in accordance with the terms of such program.

Depending on the type of Payroll Service User requests, User may need to agree to additional terms and conditions and complete and sign additional forms or authorizations that R365 provides to User, as required by law or as otherwise necessary to provide the Payroll Service.

Prior to User's initial payroll processing date, User must submit the completed and executed documents (the "Payroll Documents") R365 requires for providing the Payroll Service, including User's payroll and bank account information, any required federal, state, or local powers of attorney, and any additional information requested by R365. User and R365 shall mutually agree on the date (the "Go-Live Date") upon which R365 will process User's initial payroll and related payroll payments (the "First Payroll"). If R365 does not receive the Payroll Documents on or before the agreed upon schedule or if Customer delays the Go-Live Date, User may incur additional delay fees. The Payroll Service provided will be based on and is dependent upon information provided to R365 by User (including proof of federal, state, and local tax identification numbers). Failure to provide the required documents may adversely impact R365's ability to perform the Payroll Service, and may result in additional fees.

User is also responsible for: (i) depositing any federal, state, and local withholding liabilities incurred prior to enrolling in the Payroll Service; (ii) submitting any payroll returns to tax agencies (state, federal, and/or local) that were due for payroll tax liabilities incurred prior to enrolling in the Payroll Service; and (iii) cancelling any prior payroll service or services of professional employee organizations/employee leasing companies.

In performing the Payroll Service, User acknowledges and agrees that (i) R365 is not acting in a fiduciary capacity for User and/or User's business; (ii) using the Payroll Service does not relieve User of User's obligations under local, state, or federal laws or regulations to retain records relating to User's data contained in R365's files; and (iii) any information that R365 provides in

connection with the Payroll Service is for informational purposes only and should not be construed by User as legal, tax, or accounting advice.

Timely Payment

R365's provision of the Payroll Service is contingent upon User's timely payment of all fees and charges due under this Agreement. In the event User fails to meet its payment obligations, including any past due balances or failed payment transactions, R365 reserves the right to suspend or delay the Payroll Service, including the processing of payroll, tax payments, and related filings, until such time as User's account is brought current.

User acknowledges that any such suspension or delay may result in missed payroll, tax deadlines, or other adverse consequences, and R365 shall not be responsible or liable for any penalties, interest, damages, or other impacts resulting from User's failure to meet its payment obligations.

Payroll Account

An Account Administrator or Authorized Representative shall approve and submit the Payroll Information (as defined below), thereby authorizing R365 to create and transmit credit or debit entries (the "**Entries**") necessary to process User's payroll and payroll tax transactions.

Payroll Authorizations

R365 will use reasonable efforts to verify that anyone providing an instruction to approve, release, cancel, or amend the Payroll Information used to create Entries (each, a "**Payment Order**") to be originated by R365 is either User, an Account Administrator, or an Authorized Representative. R365 does not verify or review Payment Orders for the purpose of detecting any errors; it is User's responsibility to verify the accuracy of Payment Orders. User will be bound by any Payment Order that is received by R365 in compliance with this designated authorization procedure, and User shall indemnify and hold R365 and the other Indemnified Parties harmless from and against any Claims arising from the execution of a Payment Order in good faith and in compliance with such procedures.

If a Payment Order describes the payee inconsistently by name and account number, (i) payment may be made on the basis of the account number even if User identifies a person different from the named payee; or (ii) R365 may, in its sole discretion, refuse to accept or may return the Payment Order. If a Payment Order describes a participating financial institution inconsistently by name and identification number, the identification number may be relied upon as the proper identification of the financial institution. If a Payment Order identifies a non-existent or unidentifiable person or account as the payee or the payee's account, R365 may, in its sole discretion, refuse to accept or may return the Payment Order.

Bank Account Debiting and Crediting

On or prior to User's payroll direct deposit and/or payroll tax deposit date or other applicable settlement or due date, User authorizes R365 to initiate debit Entries to the Bank Account at the depository financial institution indicated by the routing number associated with the Bank Account that User provides to R365 (the "**Bank**"), and to debit the Bank Account in such amounts as are necessary to (i) fund User's direct deposits; (ii) pay any fees or charges associated with the Payroll Service, including, without limitation, finance charges; (iii) pay User's payroll taxes; (iv) pay any debit, correcting, or reversing Entry initiated pursuant to the Payroll Agreement which is later returned to R365; (v) verify the Bank Account through a test deposit or debit authorization; and (vi) pay any other amount that is owing under the Payroll Agreement or in connection with the Payroll Service. User also authorizes R365 to initiate credit Entries to the Bank Account in the event that R365 is required to return Unpaid Funds to User, as described in these Payroll Terms. These authorizations are to remain in full force and effect until R365 has received written notice from User of termination of any such authorizations in such time and such manner as to afford R365 and the Bank a reasonable opportunity to act upon such notice. R365 is not responsible for determining whether the bank accounts of any payors or payees have deposit or withdrawal restrictions. User acknowledges and agrees not to originate Entries that violate any laws of the United States and to originate Entries in compliance with the restrictions set forth in the NACHA Rules.

User acknowledges that the origination of Automated Clearing House ("**ACH**") transactions to the Payroll Account (as defined below) and the transmission of funds via ACH transactions to the payee's account must comply with applicable laws, rules, and regulations, including the NACHA Rules and Article 4A of the Uniform Commercial Code, as adopted in California and as may be amended from time to time (as amended, the "**UCC**"). R365 may terminate this Agreement for breach of the NACHA Rules that permits R365 to comply with the NACHA Rules and may audit User for compliance with this section and the NACHA Rules.

Requirements for Bank Account Funds

User will maintain in the Bank Account, as of the applicable payroll direct deposit date, payroll tax deposit date, or other settlement or due date and time, immediately available funds sufficient to cover all disbursements, fees, payroll taxes or any other amounts due (collectively, the "**Amounts Due**") under the Payroll Agreement. User's obligation to have sufficient funds in the Bank Account to cover the Amounts Due matures at the time R365 originates the applicable Entries for the Amounts Due and is unaffected by termination of the Payroll Service. R365 may set off any amounts User owes to it against any amounts it owes to User in order for R365 to obtain payment of User's obligations as set forth in the Payroll Agreement.

If User does not have sufficient funds in the Bank Account to pay the Amounts Due at the time required, or if User refuses to pay the Amounts Due, then R365 will not be able to pay out the

Amounts Due to the applicable parties and will not be liable for any consequences or Claims directly or indirectly arising from such failure to pay, and R365 may (i) debit the Bank Account or any other account owned in whole or in part by User to pay disbursements, fees or charges, payroll taxes, or other amounts due; (ii) refuse to pay any unremitted payroll taxes to the applicable tax agencies, in which case the payroll tax liability will become User's sole responsibility; (iii) refuse to perform further Services; and/or (iv) immediately terminate the Payroll Agreement. For any amounts due and unpaid, R365 may assess finance charges on such amounts and recover certain fees and costs of collection associated with such amounts in accordance with Services Fees and Charges of the R365 Terms.

Certain User Agreements and Acknowledgments

User acknowledges that it directs all actions related to its payroll direct deposits and payroll taxes ("Payroll Funds") and R365 acts as an agent to transact the actions requested by User. Amounts withdrawn from the Bank Account for Payroll Funds will be held temporarily in a custody account at R365's financial institutions (collectively, the "Payroll Account") until such time as those payments are due to User's employees and/or independent contractors and the appropriate taxing agencies, and no interest will be paid to User on these amounts. User acknowledges that it directs all actions related to its Payroll Funds and R365 acts as an agent to transact the actions requested by User. R365 does not hold custody of User's Payroll Funds but is entitled to invest the Payroll Funds in accordance with its investment guidelines established from time to time, and that R365, in its own capacity, is entitled to all income and gains derived from or realized from such investments and is not accountable to User, User's employees, or any other person for such income or gains. In order to facilitate the timely payment of payroll direct deposits and payroll taxes, R365 may pledge any investments held in the Payroll Account in connection with a loan, rather than convert such investments to cash for each tax payment. To the extent R365 receives the Payroll Funds, R365 shall indemnify and hold User harmless from and against any loss of any portion of the principal amount of the Payroll Funds (including any losses of principal resulting from the investment of the Payroll Funds) caused by R365 while holding the funds in the Payroll Account. If R365 incurs losses on the investment of the Payroll Funds or uses the Payroll Funds for any other purpose, R365 will make the required payroll direct deposits and payroll tax deposits on User's behalf by using R365's own funds or other assets. User acknowledges that no state or federal agency monitors or assumes any responsibility for R365's financial solvency.

R365 calculates applicable payroll taxes in accordance with state requirements; however, due to differences in computational methods (e.g., rounding), it is possible that R365's computation of User's applicable taxes may deviate in a fractional manner from the amount charged by an applicable taxing authority (typically a difference of less than \$0.10 per taxing authority per payroll). Sometimes, this will result in R365 withdrawing slightly less than what ultimately is required to be remitted to the applicable taxing authority. In this case, User agrees that R365's computation is correct, but R365 will cover the difference on User's behalf and will not seek additional funds from User. Sometimes, this will result in R365 withdrawing slightly more than

what ultimately is required to be remitted to the applicable taxing authority. In this case, User agrees that R365's computation is correct, and that User is not entitled to a refund of or credit for the excess funds.

In the event that R365 erroneously credits an amount to the Bank Account in excess of the amount that should have been credited (the "**Excess Credit Amount**"), if any, then User shall promptly notify R365 as soon as it becomes aware of such erroneous credit. User authorizes R365 to debit any Excess Credit Amounts from the Bank Account, and if the Bank Account contains insufficient funds to cover the Excess Credit Amount, User agrees to promptly refund the Excess Credit Amount to R365 through other payment methods that R365 may deem acceptable at its sole discretion.

ACH Origination

The Payroll Service will enable User to enter the Payroll Information and to approve and submit it to R365 for creation, formatting, and transmission of Entries in accordance with the NACHA Rules and the UCC. R365 may reject any Payroll

Information or Entry which does not comply with the requirements in the Payroll Agreement, NACHA Rules, or the UCC, or with respect to which the Bank Account does not contain sufficient available funds to pay for the Entry. If any Payroll Information or Entry is rejected, R365 will make a reasonable effort to notify User promptly so that User may correct such Payroll Information or request that R365 correct the Entry and resubmit it. A notice of rejection of Payroll Information or an Entry (each, a "**Rejection Notice**") will be effective when given and may be delivered through any means, including via email or through User's Account. R365 will have no liability to User for (i) the rejection of any Payroll Information or Entry or any Claims directly or indirectly arising therefrom; or (ii) any delay in providing, or any failure to provide, User with a Rejection Notice, or any Claims arising directly or indirectly therefrom. If User requests that R365 correct any Payroll Information or Entries on User's behalf, R365 may attempt to do so; *provided, however*, that R365 is not obligated to make any requested correction, and R365 is not liable for any Claims or other consequences that may directly or indirectly result from R365's attempt to correct, or failure to correct, such Payroll Information or Entries.

After the Payroll Information has been approved by an Account Administrator and submitted to R365 for the purposes of initiating a payroll-related transaction (such action, to "**Submit**," and Payroll Information that has been submitted in the foregoing manner, "**Submitted Payroll Information**") and received by R365, User may not be able to cancel or amend such Submitted Payroll Information. R365 will use reasonable efforts to act on any cancellation or amendment requests it receives from an Account Administrator prior to transmitting the Entries to the ACH or gateway operator, but will have no liability if the cancellation or amendment is not affected. User will reimburse R365 for any expenses, losses, fines, penalties, or damages R365 may incur in effecting or attempting to affect such a request. Except for Entries created from Payroll Information that has been re-approved and re-Submitted by an Account Administrator in

accordance with the requirements of the Payroll Agreement, R365 will have no obligation to retransmit a returned Entry to the ACH or gateway operator if R365 complied with the terms of the Payroll Agreement with respect to the original Entry.

Payroll Processing Schedule

R365 will process the Submitted Payroll Information and Entries in accordance with R365's then-current processing schedule applicable to User, provided that (i) the Submitted Payroll Information is received by R365 no later than User's applicable cutoff time for Submitted Payroll Information on a business day; and (ii) the ACH is open for business on that business day. If R365 receives approved and Submitted Payroll Information after the applicable cut-off time for Submitted Payroll Information on a given business day, or if R365 receives the Submitted Payroll Information on a nonbusiness day, R365 will not be responsible for failure to process the Submitted Payroll Information on that day. If any of the requirements of clauses (i) or (ii) of this paragraph are not satisfied, R365 will use reasonable efforts to process the Submitted Payroll Information and transmit the Entries to the ACH with the next regularly scheduled file created by R365 (which will only occur on a business day on which the ACH is open for business).

R365's Pay365 software application for payroll and contractor payments ("Pay365"), for qualified customers, occurs "same-day", as long as payments are approved before well-known ACH processing cutoff times. If a customer is not qualified for Pay365, R365 will process User's payroll and contractor payments in less than four (4) business days. Whether User initially qualifies for or continues to qualify for Pay365 is at the sole discretion of R365, and R365 has no obligation to provide Pay365 services to User. If R365 processes User's payroll and/or contractor payments through the Pay365 service and the Bank Account has insufficient funds to cover such Amounts Due for such payroll and/or contractor payments, or the Bank otherwise rejects the portions of the ACH files originated by R365 that relate to Entries for such Amounts Due, then User will owe, and be liable to R365 for, such Amounts Due (the "Pay365 **Amounts Due**"). User will ensure that any Pay365 Amounts Due are promptly paid to R365 via a payment method that R365, in its sole discretion, determines is acceptable. If User is liable for any Pay365 Amounts Due or if R365 has any reason to believe that User may be in violation of the Payroll Agreement, then R365 may immediately revoke User's eligibility for any Pay365 service. This provision shall not limit R365 from exercising any other rights or remedies it may have under the Payroll Agreement to recover the Pay365 Amounts Due.

ACH Transactions and Entries

Origination, receipt, return, adjustment, correction, cancellation, amendment, and transmission of Entries must be in accordance with the NACHA Rules, and, with respect to credit Entries which constitute Payment Orders, the UCC, as both are varied by this Agreement. User acknowledges that User has had an opportunity to review, and agrees to comply with, and be bound by, the NACHA Rules and the UCC.

User authorizes R365 to debit User's bank account in the amounts necessary to (i) fund User's requested payments to payees; (ii) pay any fees or charges associated with the Payroll Service; (iii) pay payroll taxes; (iv) pay any debit, correction or reversal entry fee or cost; (v) verify the bank account via test deposit or debit (if applicable); and (vi) pay any other amount due, including for other services or programs provided by R365 outside of the Payroll Service. R365 is not responsible for determining whether User's bank account has deposit or withdrawal restrictions. These authorizations will remain in effect until and unless User gives R365 written notice to terminate them. Such written notice of termination must afford R365 and the Bank reasonable opportunity to act upon such notice.

Credit given by R365 to User with respect to an ACH credit Entry is provisional until R365 receives final settlement for such Entry through a Federal Reserve Bank. If R365 does not receive such final settlement, User is hereby notified and agrees that R365 is entitled to a refund from User in the amount credited to User in connection with such Entry, and the party making payment to User via such Entry (i.e., the Originator (as defined in the NACHA Rules) of the Entry) shall not be deemed to have paid User in the amount of such Entry.

Upon User's request, R365 will make a reasonable effort to reverse an Entry, but will have no responsibility for the failure of any other person or entity to honor User's request, and R365 cannot guarantee that the Entry will be successfully reversed. User agrees to reimburse R365 for any costs or expenses incurred in attempting to honor such a reversal request. If required under the NACHA Rules or the UCC, User must obtain a payee's consent before attempting to reverse an Entry that was credited to such payee. By initiating a request to reverse an Entry that was credited to a payee, User represents and warrants to R365 that it has already obtained the payee's consent for the reversal, if such consent is required under the NACHA Rules or the UCC.

Under the NACHA Rules, which are applicable to ACH transactions involving User's Account, R365 is not required to give next day notice to User of receipt of an ACH item and R365 will not do so. However, R365 will continue to inform User of the receipt of payments in the periodic Bank Account transaction history report that R365 makes available to User in User's Account. User acknowledges and understands that while User may not be notified via email of every Bank Account transaction initiated by R365 in connection with the Payroll Service, User may view its Bank Account transaction information in User's Account.

User expressly acknowledges that R365 does not intentionally or knowingly engage in or support International ACH Transactions ("IATs"), as defined in the NACHA Rules. R365 may use third-parties; however, to engage in IATs for customers, if requested. User represents and warrants that (i) the direct funding for the Entries originated by R365 on behalf of User does not come from or involve a financial agency office that is located outside the territorial jurisdiction of the United States; (ii) User will not instruct R365 to create, originate, or transmit Entries that use IAT as the Standard Entry Class Code (as defined in the NACHA Rules), or are otherwise required to be IATs under the NACHA Rules; and (iii) User will not engage in any act or omission that causes or results

in R365 creating, originating, or transmitting an IAT or a payment that should have been categorized as an IAT pursuant to the NACHA Rules. R365 may, in its sole discretion, temporarily or permanently suspend providing the Payroll Service to User, without liability, if R365 has reason to believe that User has breached any of the foregoing representations and warranties in this paragraph. User acknowledges that User is the Originator (as defined in the NACHA Rules) of each Entry and assumes the responsibilities of an Originator under the NACHA Rules. User further acknowledges that under the NACHA Rules and the UCC, R365, as a Third-Party Sender (as defined in the NACHA Rules), is required to make certain warranties on behalf of the Originator with respect to each Entry. User agrees to indemnify R365 for any Claim which results, directly or indirectly, from a breach of such a warranty made by R365 on behalf of User, unless such breach results solely from R365's own gross negligence or intentional misconduct. User also acknowledges that under the NACHA Rules and the UCC, R365 is required to indemnify certain persons, including, without limitation, the ODFI (as defined in the NACHA Rules), for the Originator's failure to perform its obligations thereunder. User agrees to indemnify R365 for any Claims which result from the enforcement of such an indemnity, unless the enforcement results solely from R365's own gross negligence or intentional misconduct.

User is responsible for obtaining and maintaining all required consents and authorizations from User's payee(s) for R365 to process direct deposits to payee bank accounts. User represents and warrants that (i) User has received authorization from each payee to allow User to make payments to them via the Payroll Service and to make any necessary adjustments or corrections to such payments, as appropriate, and (ii) at the time a payment is made via the Payroll Service, User has no knowledge that the authorization(s) have been revoked or terminated.

Taxes; Liability

In order to use the Payroll Service, User must submit accurate wage and payroll information to R365 during and after the enrollment process. R365 will not be liable for any penalty, interest, or other Claim that results from inaccurate or incomplete information that User, an Account Administrator, or an Authorized Representative supplies. R365 shall only file tax returns on User's behalf once User has processed User's payroll through the Platform and the payroll has been paid out to the payees. User shall timely and accurately update all wage and payroll information as necessary to reflect changes and respond with additional information, as may be requested from time to time by R365. It is User's responsibility to submit complete, timely, and accurate information to R365 in connection with the Payroll Service. Any penalty or interest incurred, or any other Claim that arises, due to inaccurate or incomplete information provided by User will be User's sole responsibility. User further agrees to hold R365 harmless from such liability. R365, at its option, may decide not to file User's payroll tax returns, pay User's payroll taxes, or otherwise process User's payroll if there are any unresolved problems with any information requested by R365 or submitted by User, an Account Administrator, or an Authorized Representative. R365's sole liability and User's sole remedy for R365's negligent failure to perform the payroll tax portion

of the Payroll Service shall be as follows: (i) R365 will remit the payroll taxes received from User to the appropriate taxing authority; and (ii) R365 will reimburse User or pay directly to the appropriate taxing authority any penalties resulting from such negligent error or omission by R365, provided that User must use reasonable efforts to mitigate any penalties or losses resulting from such negligent error or omission by R365.

Important Tax Information: Even though User has authorized a third party, such as R365, to file payroll tax returns and make payroll tax payments, ultimately, User is held responsible by taxing authorities for the timely filing of employment tax returns and the timely payment of employment taxes for User's employees. R365 and the IRS recommend that User enroll in the U.S. Treasury Department's Electronic Federal Tax Payment System ("**EFTPS**"), to monitor User's IRS account and ensure that timely tax payments are being made for User. User may enroll in the EFTPS online at www.eftps.gov, or by calling (800) 555-4477 for an enrollment form. State tax authorities generally offer similar means to verify tax payments. User should contact the appropriate state offices directly for details.

Failed Direct Deposits

In the event that a direct deposit payroll payment fails to be paid to the payee and R365 cannot ultimately successfully make a payment on User's behalf to the payee, and the funds are returned to R365 ("**Unpaid Funds**"), R365 will notify User of such Unpaid Funds and provide User with the appropriate details related to those funds. In addition, R365 will return the Unpaid Funds to User in accordance with these Payroll Terms. User, not R365, is required to contact payees and/or otherwise resolve the Unpaid Funds. User acknowledges that User is responsible for complying with all applicable state unclaimed or abandoned property laws related to Unpaid Funds, and User hereby expressly releases R365 from all liability and Claims directly or indirectly arising from state unclaimed or abandoned property laws, including any applicable penalties and/or interest. R365 shall have no obligation to defend or otherwise indemnify User in the event of an audit, examination, assessment, or other enforcement action by a state related to the Unpaid Funds under its unclaimed or abandoned property laws. User may update the required wage and payroll information as necessary to reflect any necessary changes in accordance with the provisions of these Payroll Terms to allow R365 to re-perform the direct deposit payroll payment on User's behalf.

Effect of Termination of the Payroll Service

User acknowledges and understands that if User terminates the Payroll Service through User's Account or R365 terminates the Payroll Service pursuant to the R365 Terms, then such termination may not be reversible. In the event that User or R365 terminates User's Payroll Service, then as of the time of such termination, R365 will have no obligation to make further payroll tax filings on User's behalf. Notwithstanding the foregoing, if User or R365 terminates the Payroll Service, User will be asked to

make specific elections regarding whether it would like R365 to make certain final payroll tax filings (such filings, the **“Final Payroll Tax Filings”**) on User’s behalf following such termination of the Payroll Service (such elections, the **“Post-Termination Filing Elections”**). If User does not provide R365 with its PostTermination Filing Elections promptly following termination of the Payroll Service, then User authorizes R365 to make the Post-Termination Filing Elections for User on User’s behalf (the **“R365 Selections”**). User acknowledges and agrees that R365 may rely on User’s Post-Termination Filing Elections and the R365 Selections, and R365 is not responsible or liable for (i) any consequences or Claims arising (directly or indirectly) from such reliance; or (ii) any Resulting Errors, or any consequences or Claims arising (directly or indirectly) from any Resulting Errors, in the Final Payroll Tax Filings.

Renewal of Payroll Service

User acknowledges that the R365 Terms require that User cancel its Subscription for the Payroll Service by providing at least sixty (60) days’ written notice in advance of the expiration of the then-current Subscription term. In the event User provides written notice of such cancellation prior to the expiration of the then-current Subscription Term, but provides less than sixty (60) days’ written notice in advance of the expiration of the then-current Subscription Term, R365 shall charge User a cancellation fee equal to the fees charged to User by R365 for the Payroll Service in the last full month immediately prior to the date R365 receives such written notice.

Upon termination or expiration of the Payroll Service, User’s access to the Payroll Service may be immediately suspended or terminated. R365 may, at its discretion, provide User with limited access to retrieve data for a period of up to [30] days following termination (the **“Access Period”**). After the Access Period, R365 may archive User data in accordance with its data retention policies.

Consent to Share Certain Employee and Independent Contractor Information with Employer

User acknowledges and understands that in providing the Payroll Service, R365 acts as an intermediary between employers and their employees and/or independent contractors. If User is an employee or independent contractor, then User hereby authorizes R365 to share with User’s employer any information that User has provided to R365 in connection with the Payroll Service.

Confidentiality.

In addition to the confidentiality obligations set forth in the Master Subscription Agreement, User acknowledges that the existence and the terms of the Payroll Agreement and any oral or written information exchanged between the Parties in connection with the preparation and performance of the Payroll Agreement are regarded as confidential information (the **“Confidential Information”**). User shall maintain confidentiality of all such Confidential Information, and without obtaining the written consent of R365, it shall not disclose any such Confidential Information to any third parties, except for the information that: (a) is or will be in the public domain (other than

through User's unauthorized disclosure); or (b) is under the obligation to be disclosed pursuant to the applicable laws or regulations, rules of any stock exchange, or orders of the court or other government authorities. Notwithstanding the foregoing, User may disclose any such Confidential Information only to its employees, officers and directors who need to know such information in order to perform their respective duties; provided that each such person has a legal or contractual obligation to maintain the confidentiality of such information. This Section shall survive the termination of the Payroll Agreement for any reason.

Indemnity.

In addition to any other indemnification obligations of the User under the Payroll Agreement, User shall indemnify, defend, and hold harmless R365 and its employees, agents, successors, assigns, affiliates, consultants and service providers (each, an "Affiliate" and, collectively, "Affiliates"), and each of R365's and its Affiliates' respective officers, directors, employees, agents, successors, and assigns against all Losses arising out of or resulting from any claim, suit, action, or other proceeding related to or arising out of or resulting from (a) User's failure to comply with any applicable local, state or federal laws, rules and regulations, including, without limitation, failure to comply with any withholding obligations. (b) User's use of the Payroll Service and the payment of its employees in connection with the Payroll Service or (c) any assertion that R365 is acting as a payroll processor under applicable local, state or federal law or is otherwise responsible for compliance with any laws, rules and/or regulations of the Internal Revenue Service ("IRS") or the Department of Labor ("DOL") with respect to the Payroll Service. "Losses" means all losses, damages, liabilities, deficiencies, claims, actions, judgments, settlements, interest, awards, penalties, fines, costs or expenses of whatever kind, including reasonable attorneys' fees and the cost of enforcing any right to indemnification hereunder and the cost of pursuing any insurance providers.

Amendment

R365 may amend any part of these Payroll Terms from time to time upon written notice to User. R365 may send notice to User at the last email or postal address shown in R365's records for User's Payroll Service. The revised terms and conditions shall be effective immediately unless R365 provides a later effective date. If an immediate change is necessary for security, regulatory or compliance purposes, prior notice may not be given.

DISCLAIMERS.

IN ADDITION TO THE DISCLAIMERS SET FORTH IN THE AGREEMENT, R365 MAKES NO WARRANTY, EXPRESS OR IMPLIED, REGARDING THE PAYROLL SERVICE AND ITS COMPLIANCE WITH APPLICABLE LAWS, RULES AND REGULATIONS, INCLUDING ANY LAWS, RULES AND/OR REGULATIONS OF THE IRS OR THE DOL. USER SHALL BE SOLELY RESPONSIBLE FOR ENSURING THAT USER'S USE OF THE PAYROLL SERVICE COMPLIES WITH ALL

APPLICABLE LOCAL, STATE AND FEDERAL LAWS, RULES AND REGULATIONS. R365 DISCLAIMS ALL IMPLIED WARRANTIES, INCLUDING THE WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.

R365 HIRE Setup Fee

User acknowledges and understands that the implementation services for R365 HIRE Setup Fee will include the following as part of the per Unit Price reflected on the Sales Order:

- 1 concept/brand customer careers page.
- 15 standard employee onboarding & acknowledgement forms.
- 15 job templates.

The following are not included in the standard implementation services for R365 HIRE:

- Form rebuilds.
- Forms beyond the standard employee onboarding & acknowledgement forms.
- Templates beyond the 15 job templates.

Form rebuilds, additional forms and templates beyond the 15 standard forms shall be billed at \$25.00 per form.

Check Printing Service

1. R365 Responsibilities. R365, or its authorized agent(s), shall print and ship User'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 User 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. User Responsibilities. User shall provide R365 at least ten (10) business days prior written notice of any requested changes to the User’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 and will be detailed on the cash requirements statement.

Check - \$2.00 per Check
 Delivery - \$35.00 or the estimated FedEx service rate

Additional Fees & Services. The following fees shall be applied on a per usage basis. R365 reserves the right to charge additional fees for services, features, or activities not expressly listed in this Agreement, which may be incurred and billed upon use.

Additional Services	Unit Price
Overnight Shipping Per Location - Determined by zip code	\$35.00
New Payroll EIN Implementation fee	\$500.00
Late payroll submission	\$150.00
Year End W-2/1099/1095 Item Processing	\$5.00
W4 transmittal per EIN per state	\$25.00
1099 Transmittal per EIN per state	\$25.00
Split Packaging (per package)	\$5.00
Payroll Non-Sufficient Funds	2%
ACH EE Reversals	\$30.00
ACH File Reversals	\$50.00
ACH EE Returns	\$10.00
ACH EE NOC	\$10.00
Tax amendment	\$125.00
Tax research	\$125.00
Prior period payroll correction	\$50.00 per correction
Payroll Services aka ProServe	\$200.00 per hour

Covered Entities

The companies described below are added to the Agreement to which this is attached to the same extent as though they were named the "User" 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) _____
- 19) _____
- 20) _____
- 21) _____
- 22) _____
- 23) _____
- 24) _____
- 25) _____
- 26) _____
- 27) _____
- 28) _____
- 29) _____
- 30) _____

Signature

Name

Title

Date

EXHIBIT 1

Personal Information Privacy, Security & Data Protection

The Parties shall process Personal Information in accordance with all applicable privacy, security, and data protection laws and regulations. The Parties will reasonably cooperate to respond to the requests of residents in those states that confer various privacy rights relating to their Personal Information.

R365 receives Personal Information only for the limited and specified purposes set forth in the Payroll Agreement. R365 will provide the same level of data protection to any Personal Information that R365 receives from User under the Payroll Agreement as would otherwise be required of User. R365 grants User the right to take reasonable and appropriate steps to help ensure that R365 uses Personal Information in a manner consistent with applicable law as well as to take reasonable and appropriate steps to stop and remediate any unauthorized use of Personal Information by R365. R365 will reasonably cooperate with any audit, assessment, monitoring, or review of its compliance with the obligations set forth in this Exhibit 1. If User is an employer, and R365 determines that it can no longer comply with applicable data protection laws and regulations, R365 will notify User.

Unless otherwise permitted by applicable law, R365 will not: (1) sell or share Personal Information; (2) retain, use, or disclose Personal Information for any purpose other than for the business purposes specified in the Payroll Agreement or outside of the direct business relationship between User and R365; (3) combine Personal Information received from User with personal information that R365 receives from other users; or (4) provide R365 vendors with access to Personal Information without entering into binding written agreements that commit such R365 vendors to obligations no less protective than those described in this Exhibit 1. User expressly authorizes R365 to engage third-party vendors to the extent necessary to fulfill R365's contractual obligations under the Payroll Agreement.

In accordance with the MSA, R365 will implement and maintain reasonable administrative, technical, and physical safeguards and other security measures designed to protect against unauthorized access, destruction, use, modification, or disclosure of Personal Information. These safeguards will be appropriate to the nature of such Personal Information and will be aligned with generally accepted industry standards for safeguarding Personal Information, such as financial and payroll data. Such safeguards will include, at a minimum, the following: (1) secure transmission protocols; (2) encryption of Personal Information at rest and in transit; (3) access controls to restrict access to Personal Information to only authorized personnel with a legitimate business need and who are bound by confidentiality obligations; (4) procedures for the limited retention and secure disposal of Personal Information; (5) assessments and

monitoring of risks to Personal Information; (6) appropriate data protection training for R365 personnel; (7) oversight of R365 vendors that may have access to Personal Information; (8) periodic assessment of the sufficiency of any safeguards in place to control potential risks; (9) secure development and change management protocols; and (10) an incident response plan for events that may materially affecting the confidentiality, integrity, or availability of Personal Information (“Security Incident”).

In the event of a confirmed Security Incident, R365 will take commercially reasonable steps to contain, investigate, recover, and mitigate the Security Incident as well as comply with applicable law regarding any required notification about the Security Incident. The Parties will reasonably cooperate to respond to the Security Incident.

Payroll Information

R365 will notify User via electronic communication or by other means when all information necessary to begin the Payroll Service has been received and the enrollment process for the Payroll Service has been completed. User shall then, prior to submitting User’s first payroll, review the Payroll Information for completeness and accuracy. For the purposes of the Payroll Agreement, “**Payroll Information**” shall mean any information provided to R365 in connection with the Payroll Service, including but not limited to Personal Information and all other information provided by User, Account Administrators, Authorized Representatives, User’s employees, or User’s independent contractors, and all information posted in connection with the Payroll Service for User’s review on the Platform or otherwise requested for review by R365, such as the information used to calculate and pay employee payroll, track User’s defined employee benefits, pay payroll taxes to applicable taxing agencies (including User’s employer identification number(s), unemployment insurance tax rates, and employment tax deposit schedule), produce payroll tax returns and W-2 statements, and print checks on User’s Account (if applicable). User must correct or provide, respectively, any incorrect or missing Payroll Information, either through the Platform or by notifying R365 in the manner specified in the applicable electronic communication received by User and within the time period specified therein. User is fully responsible for the accuracy of all information User provides, submits, and/or approves (whether provided directly or through User’s Account Administrators or Authorized Representatives), and User is solely responsible for any Claims, including but not limited to IRS penalties and/or interest, and other penalties and/or interest arising from the failure to timely provide and maintain accurate and complete Payroll Information at all times. User agrees that by submitting each payroll (including the First Payroll): (i) User approves all Payroll Information; (ii) User represents and warrants to R365 that no Payroll Information submitted to R365 will result in Entries that would violate the sanctions program of the Office of Foreign Assets Control of the U.S. Department of the Treasury or any other applicable laws, rules, or regulations; (iii) User waives and releases any Claim against R365 arising out of any

errors or omissions in the Payroll Information which User has not corrected (whether directly or through User's Account Administrators or Authorized Representatives) or has not requested R365 to correct; and (iv) User acknowledges that any subsequent request for corrections will be considered special handling, and additional fees may be charged. Final responsibility for any audits or assessments rests with User. R365 will not have any responsibility for verifying the accuracy of any data User provides via the Platform or via any other method.

User acknowledges, agrees, and understands that (i) any information or instructions (including but not limited to Payroll Information and Entries) communicated to R365 by User, an Account Administrator, or an Authorized Representative (or anyone that R365 reasonably believes to be User, an Account Administrator, or an Authorized Representative) will be deemed fully authorized by User, and User shall be fully responsible for the accuracy of such information and instructions, and any Claims, including but not limited to any IRS penalties and/or interest or other penalties and/or interest arising therefrom; and (ii) notwithstanding such deemed authorization, R365 may in its sole discretion refuse to accept or act upon any such instructions.

R365, its employees, and agents will only collect, use, and disclose Personal Information furnished by User or produced by R365 under this Agreement in accordance with R365's Privacy Policy and Exhibit 1 to these Payroll Terms.

If the terms of this Exhibit 1 conflict with the terms of any other agreements entered into between User and R365, the terms of this Exhibit 1 shall control with respect to any Personal Information. The terms of this Exhibit 1 will continue in effect so long as R365 processes Personal Information.