

## TERMS AND CONDITIONS

### 1. Services and Fees.

The Parties agree that the professional employer organization indicated on the Parties' Client Services Agreement ("Agreement") (hereinafter referred to as "RESOURCING EDGE") will provide the services set forth in Schedule A (the "Services") pursuant to the Parties' Agreement and these Terms and Conditions. RESOURCING EDGE will perform the Services in a professional manner, using personnel having a level of skill in the area commensurate with the requirements of the Services to be performed. The fees to be paid by Client for such Services are set forth in Schedule B or any written addendum or modification thereto or as may be amended or modified from time to time. All rates provided in Schedule B are billing fees and may include fees associated with the provision of Services thereto. The fees set forth on Schedule B are subject to upward adjustment by RESOURCING EDGE based upon changes in (i) local, state and/or federal employment or tax laws; (ii) Client's payroll or Registered Employee requirements; (iii) RESOURCING EDGE or RESOURCING EDGE providers' insurance requirements or costs, including any retroactive adjustments and/or assessments as determined by state or federal law or RESOURCING EDGE's providers; (iv) unemployment experience, rate or wage base, including any special assessment and/or any retroactive increase, which must be paid during the term of the Parties' Agreement or which applies to the time period during which the Parties' Agreement was in effect. Such upward fee adjustment shall become effective as of the date of the written notice unless otherwise specified by RESOURCING EDGE. Client agrees to pay RESOURCING EDGE for all collection costs, including reasonable attorney's fees and in-house counsel fees, which RESOURCING EDGE may incur as a result of Client's default of its payment obligations pursuant to these Terms and Conditions.

### 2. Payment.

- (a) Client hereby agrees to pay RESOURCING EDGE's fees in accordance with the Schedule B. Client will reimburse RESOURCING EDGE for all expenses, including handling, delivery, postage and courier expenses incurred by RESOURCING EDGE in performing the Services. Client agrees to pay all such fees and expenses through an Electronic Funds Transfer (EFT) transaction or in a method acceptable and authorized by RESOURCING EDGE. All funds required for Registered Employee compensation and applicable third-party amounts (e.g., tax authorities, third-party benefit providers, other third parties to whom payments are due pursuant to garnishments, levies and other employee wage impositions) in addition to RESOURCING EDGE's fees and expenses, are due to RESOURCING EDGE two (2) business days prior to each payroll date. RESOURCING EDGE will invoice Client all fees due in connection with each payroll cycle, and Client hereby authorizes RESOURCING EDGE to collect its fees for such payroll cycle from Client's bank account on the same day that RESOURCING EDGE withdraws funds from Client's bank account to pay Registered Employees and make related payments for such payroll cycle. Client agrees that funds representing the total amount due for all applicable RESOURCING EDGE billings must be on deposit in Client's designated bank account in collectible form and in sufficient amount on the day the RESOURCING EDGE EFT charge is initiated. If sufficient funds are not available upon presentation of RESOURCING EDGE's EFT charge to Client's bank account, RESOURCING EDGE may take such action as it deems appropriate and consistent with these Terms and Conditions.
- (b) If any of the Services require RESOURCING EDGE to make payments to any persons on behalf of Client (each, a "Payee"), including without limitation Registered Employees and tax authorities, Client shall: (i) obtain a signed authorization, in a form approved by RESOURCING EDGE, from each such Payee (a "Payee Authorization") authorizing the initiation of credits to such Payee's bank or pay card

account and debit of such account to recover funds credited to such Payee's account in error and setting forth the bank or pay card account details, address or other relevant information of the Payee required by RESOURCING EDGE to make such payments (the "Payee Details"); (ii) retain a copy of each Payee Authorization during the period such Payee Authorization is in effect and for two years thereafter; (iii) promptly furnish a copy of any Payee Authorization to RESOURCING EDGE upon written request; and (iv) cooperate with RESOURCING EDGE to recover funds credited to a Payee's account in error.

- (c) If any of the Services require funds of Client to either be remitted by Client to RESOURCING EDGE or debited by RESOURCING EDGE directly from a bank account of Client, then Client hereby: (i) acknowledges and agrees that it will not be entitled to any amounts earned on such funds while they are held by RESOURCING EDGE, (ii) represents and warrants that it has obtained all required authorizations and consents from the bank from which Client's funds will be debited and any applicable third-party EFT service providers in order for RESOURCING EDGE to make such debits; (iii) represents and warrants to have sufficient funds in such account, within the deadline established by RESOURCING EDGE, to satisfy in full the payments due to RESOURCING EDGE, applicable third parties and RESOURCING EDGE, or in the case where Client will remit funds to RESOURCING EDGE, to remit to RESOURCING EDGE an amount sufficient to satisfy in full the payments due to Registered Employees, applicable third parties and RESOURCING EDGE; and (iv) represents and warrants to RESOURCING EDGE and any bank or third party EFT service provider originating debit/credit instructions on behalf of Client's Bank, if applicable, that (A) each credit and debit to the account of a Payee is timely and has been authorized pursuant to a Payee Authorization signed by such Payee and held by Client, (B) at the time any credit or debit is made with respect to a Payee, Client has no actual knowledge of the revocation or termination of such Payee's Payee Authorization, and (C) each debit from the account of a Payee is for a sum which is due and owing to Client, and Client has notified such Payee of such debit prior to its initiation.
  - (d) Any unpaid invoices shall be subject to a late fee of four percent (4%) of the total invoice due plus two percent (2%) per month until the invoice is paid in full (or such lesser interest amount if set by applicable law at a lower amount).
- ### 3. Registered Employees.
- (a) Prior to a Registered Employee's commencement of employment pursuant to the Parties' Agreement, Client represents that it has completed and delivered to RESOURCING EDGE a completed employee information summary, a signed W-4, and any other statutorily required forms ("Employee Forms"). No applicant will be accepted for employment with RESOURCING EDGE prior to the date of receipt of the applicant's Employee Forms regardless of what start date is listed on the application. Client acknowledges and agrees that no employee shall become a Registered Employee and co-employed by RESOURCING EDGE, covered by RESOURCING EDGE's workers' compensation insurance or any other insurance or issued a paycheck, until the individual has completed and submitted the Employee Forms. Furthermore, RESOURCING EDGE shall not be considered a co-employer for any individual or Registered Employee for whom payroll information is not supplied in accordance with these Terms and Conditions (except as may be required by law). Client agrees not to allow Registered Employees to perform any

work or services for which Registered Employees are not adequately licensed or qualified or that are outside of the applicable workers' compensation classification code. Client further agrees not to allow Registered Employees to commit any illegal acts of any kind as part of their employment and will indemnify and hold harmless RESOURCING EDGE for such acts. Client assumes full responsibility for workers' compensation claims of individuals that are paid directly by Client as well for all other parties hired by or working for Client, whether as an employee, independent contractor or any other status. In no event shall any independent contractor or non-Registered Employee be covered under RESOURCING EDGE's workers' compensation insurance policy or any other insurance policy carried by RESOURCING EDGE and/or made available to Client pursuant to the Parties' Agreement and these Terms and Conditions. Client agrees that RESOURCING EDGE shall have the right at its sole discretion to assign Registered Employees to appropriate workers' compensation codes as necessary, including new codes not originally listed in Schedule B. Client shall be deemed to have accepted such workers' compensation code assignments upon its payment of the invoice containing its Registered Employees' RESOURCING EDGE assigned workers' compensation codes.

- (b) RESOURCING EDGE shall have sufficient authority so as to maintain a right of direction and control over all Registered Employees assigned to the Client's location, and shall retain the authority to hire, fire, discipline and reassign Registered Employees, to the extent required by law. Client shall, however, retain sufficient direction and control over the Registered Employee as is necessary to conduct Client's business and without which Client would be unable to conduct its business, discharge any fiduciary responsibility it may have, or comply with any applicable licensure, regulatory or statutory requirement of Client. Such authority maintained by Client shall include the right to accept or cancel the assignment of any Registered Employee. Additionally, Client shall have sole and exclusive control over the day-to-day job duties of all Registered Employees and RESOURCING EDGE shall have no responsibilities with regard to the Registered Employees' performance of such day-to-day job duties. Furthermore, RESOURCING EDGE shall have no control over the job site at which, or from which, Registered Employees perform their services, and such is solely and exclusively the responsibility of the Client. RESOURCING EDGE does not have direction and control sufficient to render it the master or principal of any Registered Employee for any form of vicarious liability and Client agrees to indemnify RESOURCING EDGE from any liability pursuant to Section 11 regarding the same.

#### 4. Payment of Wages and Taxes.

- (a) RESOURCING EDGE assumes responsibility for the payment of wages to Registered Employees without regard to payment by Client to RESOURCING EDGE, and the collection and payment of payroll taxes from payroll on Registered Employees, for payrolls timely and properly reported by Client to RESOURCING EDGE and processed by RESOURCING EDGE. In the event Client does not pay RESOURCING EDGE the full payroll amount and for all services rendered, RESOURCING EDGE may pay Registered Employees at the minimum wage rate or minimum base salary provided for in the Fair Labor Standards Act ("FLSA") and pursuant to state law. This provision in no way affects the obligation of Client to pay RESOURCING EDGE for all services rendered and in no way affects the obligations of Client pursuant to state and federal law, including but not limited to the requirement to pay all Registered Employees their regular rate of pay (plus overtime, as applicable) through RESOURCING EDGE or directly, if otherwise required by state or federal law. Notwithstanding anything to the contrary, RESOURCING EDGE does not assume responsibility for payment of bonuses, commissions, severance pay, deferred compensation, profit sharing, vacation, sick, or other paid time off pay, or for any other payment, where payment for such items has not been received in advance by RESOURCING EDGE from Client.

#### 5. Workers' Compensation.

- (a) To the extent required by applicable law, and in conjunction with RESOURCING EDGE's workers' compensation carrier(s), RESOURCING EDGE shall maintain workers' compensation insurance and shall administer workers' compensation claims, claims filings and related procedures for Registered Employees.
- (b) Client shall report any and all on-the-job illness, accident or injury (including injuries that may be "first-aid" events) of any Registered Employee ("Workplace Incident") to RESOURCING EDGE within one (1) business day of learning of the Workplace Incident. Client's failure to timely report a Workplace Incident may result in one or more substantial fines, or any other costs, being levied upon RESOURCING EDGE and/or Client, pursuant to applicable law or to insurance company protocols and/or operating procedures. Any fines or any other costs incurred by RESOURCING EDGE as a consequence of Client's failure to comply with the provisions of these Terms and Conditions shall be the sole responsibility of Client. Client hereby acknowledges that the timely reporting to RESOURCING EDGE of any Workplace Incident of Registered Employees is critical to enable RESOURCING EDGE's proactive containment of related workers' compensation insurance costs. Client also acknowledges and agrees that, in the event that Client does not timely notify RESOURCING EDGE of a Workplace Incident, Client shall be solely responsible for the costs associated with the Workplace Incident that would otherwise have been covered by RESOURCING EDGE workers' compensation insurance program.
- (c) RESOURCING EDGE retains a right of direction and control over the management of safety, risk and hazard control for Registered Employees performing work at Client's worksite(s), as may be required by applicable state and federal laws, including the administration of workers' compensation claims, claims filings and related procedures for Registered Employees, promulgating safety policies and performing safety inspections; however, Client acknowledges and agrees that RESOURCING EDGE shall not be considered a joint employer for the purposes of state and federal OSHA and that Client shall ultimately be responsible for compliance with all applicable laws and regulations related to such matters. Client acknowledges and agrees that it is responsible to maintain a safe work environment in compliance with applicable laws, provide for proper training in compliance with state and federal OSHA standards, and establish and maintain such safety programs, policies and committees as may be required by the law, RESOURCING EDGE or its insurance providers. Client further acknowledges and agrees that Client retains ultimate responsibility and supervisory authority over the safety of the worksite, including the exclusive responsibility to implement and supervise the safety protocols and correct safety and health violations at each worksite. Client further warrants that, as of the Effective Date of the Parties' Agreement and during the term of this Agreement, its working environment, machinery, supplies and training for Registered Employees meet and shall continue to meet all state and federal OSHA requirements. Client agrees to immediately disclose to RESOURCING EDGE and correct any unsafe working condition or violation of any safety law of which it is aware.
- (d) Workers' Compensation Claims Fee: If Client utilizes the workers' compensation insurance RESOURCING EDGE maintains, Client agrees to pay a \$1,500.00 Claims Fee per Workplace Incident if Client fails to report a Workplace Incident within one (1) business day of when it learns of the Workplace Incident or by the end of the next business calendar day in the event that any Workplace Incident occurs on a non-RESOURCING EDGE business calendar day. RESOURCING EDGE shall invoice, and Client shall pay the Claims Fee on the first payroll period following the reporting of the Workplace Incident. Reporting must be done via email to [risk@resourcingedge.com](mailto:risk@resourcingedge.com) with a completed Incident Analysis Form.
- (e) Client shall be exclusively responsible for the payment of any fines, penalties, assessments, costs and damages (including attorney's fees for Client and RESOURCING EDGE) associated with any OSHA investigation, claims or actions.
- (f) Client shall cooperate with RESOURCING EDGE in accident/injury

investigations and claims administration and shall provide modified and/or light duty as required by law and/or requested by RESOURCING EDGE or its insurance providers.

- (g) Client grants RESOURCING EDGE and RESOURCING EDGE's workers' compensation insurance providers the right to inspect Client's workplace, including but not limited to, any job or work sites at which Registered Employees work. To the extent reasonably possible, such inspections shall be scheduled at mutually convenient times. Client shall remain responsible for any misclassification, delinquency and/or unpaid premium amount found in an audit conducted by RESOURCING EDGE or its workers' compensation carriers. Client shall further be responsible for the payment of any short rate, workers' compensation cancellation fees or penalties, which shall survive the termination of the Parties' Agreement.
- (h) Client agrees to obtain certificates of coverage for workers' compensation insurance from all independent contractors Client hires and will maintain those certificates for two (2) years after the end of the engagement with the independent contractor. If Client hires any independent contractor(s) who do not have workers' compensation insurance coverage, Client is solely responsible for any and all liability arising from a work-related injury, accident, or illness to that independent contractor or its employees, and will indemnify RESOURCING EDGE and its insurance providers for any such claims for coverage. In no event shall an independent contractor be covered under RESOURCING EDGE's workers' compensation insurance plan.
- (i) Client agrees to comply with RESOURCING EDGE's post-accident drug testing policy. Client further agrees to pay the cost of any post-accident drug-testing performed pursuant to RESOURCING EDGE's policy.

#### 6. Benefits Plans.

- (a) RESOURCING EDGE, in its sole discretion and as requested by Client, may make certain employee benefits available to Registered Employees through RESOURCING EDGE sponsored benefit plans that are part of the RESOURCING EDGE Welfare Benefits Plan (the "Plan"). If such plans are accessed by Client, Client acknowledges that RESOURCING EDGE has the authority to bind coverage on behalf of Client and that Client has exercised independent judgment in selecting benefits under the Plan. For all RESOURCING EDGE sponsored plans, RESOURCING EDGE will administer the plans in compliance with applicable laws and regulations. RESOURCING EDGE shall be deemed Plan Sponsor and Plan Administrator of RESOURCING EDGE sponsored benefit plans for the purposes of ERISA and any applicable state law. RESOURCING EDGE reserves the exclusive right to cancel, change or amend any benefits policies or programs made available by RESOURCING EDGE. In the event RESOURCING EDGE terminates any benefit plan or upon termination of the Parties' Agreement, Client agrees to immediately replace any plans offered by RESOURCING EDGE.
- (b) In the event that Client elects to have its employees participate in the Resourcing Edge Welfare Benefits Plan ("Plan"), Client understands that RESOURCING EDGE is providing valuable services to the Plan and that RESOURCING EDGE will be receiving certain commission revenue from the related insurance carrier(s) in exchange for providing these valuable services to the Plan ("Plan-Related Commissions"). Client acknowledges and agrees that it has exercised, and will exercise, independent judgment in reviewing and approving, on a prospective and annual basis, such Plan-Related Commissions. Prior to the start of each coverage period, RESOURCING EDGE shall disclose in writing the Plan-Related Commissions that RESOURCING EDGE expects to receive in connection with the Plan. To the extent Client does not approve of RESOURCING EDGE'S receipt of such Plan-Related Commissions, Client may elect to not participate in the Plan for the next coverage period. Client understands and specifically concurs that RESOURCING EDGE is providing valuable services to the Plan with respect to its day-to-day and ongoing administration of the Plan and that the Plan-Related Commissions may or may not exceed RESOURCING EDGE's actual costs in delivering the services to the

Plan.

- (c) Client Sponsored Benefits. If Client maintains Client sponsored benefits for the benefit of Registered Employees ("Client Plans"), Client agrees to execute and abide by the terms contained in Schedule C, Client Sponsored Benefits, attached to and made a part of this Terms and Conditions. Except for terms set forth in Schedule C, benefit plans maintained by Client, regardless of whether they provide benefits to Registered Employees, shall be the sole responsibility of Client. Furthermore, if Client has maintained or maintains any benefit plan covered by the Employee Retirement Income Security Act ("ERISA"), but not provided or managed by RESOURCING EDGE, it shall be Client's sole responsibility to review and comply with all legal requirements for said benefits
- (d) The Client understands that whether it elects to participate in a RESOURCING EDGE sponsored health plan or elects to maintain a Client sponsored health plan, the Client is responsible for any and all penalties resulting from any violation of the Patient Protection and Affordable Care Act of 2010 and the Health Care and Education Reconciliation Act of 2010, as well as any guidance or regulations issued thereunder, including but not limited to violations of the nondiscrimination requirements and penalties assessed with respect to any Registered Employees under the employer mandate requirements regarding the provision of affordable minimum essential coverage.
- (e) To assure compliance with the Internal Revenue Code and ERISA, and other federal regulations, Client agrees to properly disclose to RESOURCING EDGE all information reasonably required by RESOURCING EDGE for the proper administration of benefits. This includes, without limitation, certification by Client that it has disclosed to RESOURCING EDGE all information requested by RESOURCING EDGE in any benefit plan questionnaires including the following information: (1) any retirement plans currently or previously maintained by the adopting company or any related entities (within the meaning of the Internal Revenue Code Section 414, including 414(b), 414(c), 414(m), or 414(o)); (2) list of all of the owners, officers and shareholders (to identify those highly compensated and key employees for purpose of discrimination and top heavy testing); (3) listed/entered any family relationships for owners, officers and shareholders with co-employees. In the event that Client has failed to properly identify and/or properly complete any benefit plan questionnaire, Client agrees to indemnify RESOURCING EDGE Indemnified Parties for any and all liability associated therein.
- (f) Prior to Client merging its retirement plan into any qualified RESOURCING EDGE retirement plan or prior to Client transferring assets from its qualified plan into the RESOURCING EDGE retirement plan, Client agrees to provide RESOURCING EDGE with all required information so that RESOURCING EDGE may conduct testing that is required prior to accepting the assets and allowing them to be rolled into the RESOURCING EDGE retirement plan. Client understands that RESOURCING EDGE shall have the right to inspect all plan documents, records, IRS determinations, etc. for compliance with law.
- (g) Client agrees that in the event the RESOURCING EDGE Retirement Plan as adopted by the Client plan becomes top heavy as defined by the prevailing Internal Revenue Code and/or regulations, Client will be solely responsible for making a contribution to non-key employees assigned to it to satisfy the top-heavy test.
- (h) Client acknowledges that it is solely responsible for any matching, non-elective, or qualified non-elective contributions to be made to the RESOURCING EDGE plan on behalf of Client's Registered Employees.
- (i) If Client adopts the RESOURCING EDGE plan, Client acknowledges that it has reviewed the adoption agreement for the RESOURCING EDGE plan and agrees to comply with all of the obligations and responsibilities set forth in the terms of said adoption agreement.
- (j) In addition, Client further warrants that no Registered Employee will receive compensation originating from Client that will not be paid directly by RESOURCING EDGE. Client understands that any payment made to any Registered Employee outside the Parties'

Agreement may result in the RESOURCING EDGE retirement plan being disqualified. Should the RESOURCING EDGE retirement plan be disqualified as a result of Client failing to report any compensation to Registered Employees, Client will be solely liable for any damages of any nature arising out of the failure to report such compensation to RESOURCING EDGE.

- (k) Client represents and warrants that there are no unfunded accrued benefits due to any Registered Employee or due pursuant to any existing or previously existing employee retirement plan or collective bargaining agreement.
  - (l) RESOURCING EDGE may make available to Client a Flexible Spending Plan or similar plans to the extent authorized by the Internal Revenue Code ("IRC"). Client acknowledges that RESOURCING EDGE has designed such plans to allow Registered Employees to have withheld the IRC specified maximum amounts. Client acknowledges that in any event where a Registered Employee has been reimbursed in a greater amount than has been withheld from any "flexible spending arrangement" that is provided by RESOURCING EDGE, Client will fully reimburse RESOURCING EDGE for this over-reimbursed amount, including where a Registered Employee has been reimbursed in a greater amount than has been withheld due to the fact that Client has terminated the Agreement prior to the scheduled completion of the Initial Term or any Renewal Term.
  - (m) All benefit plans shall be subject to the terms and conditions of eligibility and to such modifications as may occur to such plans.
7. COBRA Participation.
- (a) In the event that Client adds individuals (and dependents thereof) who are already receiving benefits via the Consolidated Omnibus Budget Reconciliation Act ("COBRA") prior to the Effective Date of the Agreement as Registered Employees to a RESOURCING EDGE sponsored group health plan, Client agrees that it shall pay to Resourcing Edge a fee of \$1,000 per month per such individual (and dependents thereof where applicable).
  - (b) To the extent any of Client's Registered Employees are participating in a medical plan sponsored by RESOURCING EDGE, Client agrees and covenants that immediately upon termination of the Parties' Agreement, Client shall secure and make effective new substantially equivalent coverage ("Successor Coverage") for enrollment by such Registered Employees (and dependents thereof), as well as for enrollment by any individuals who are current or former employees of Client who are COBRA enrollees in any RESOURCING EDGE ("Client COBRA Beneficiaries") sponsored plan.
  - (c) With respect to such Successor Coverage, Client shall provide effective notice to its employees and Client COBRA Beneficiaries regarding the availability of such Successor Coverage and shall allow a meaningful period of time for such individuals to enroll in such Successor Coverage.
  - (d) Client acknowledges and agrees that Client will ensure adequate coverage, which may include the Successor Coverage or other legally sufficient coverage, for the Client COBRA Beneficiaries, and that RESOURCING EDGE will not assume responsibility for providing such COBRA coverage. Client shall pay to RESOURCING EDGE \$1,000 per month per CLIENT COBRA BENEFICIARY that remains enrolled in the RESOURCING EDGE sponsored medical plan following the termination of the Parties' Agreement, and CLIENT agrees that any such enrollment will be limited to a brief period to transition such CLIENT COBRA Beneficiaries to new coverage, and Client retains all COBRA liability for such Client COBRA Beneficiaries during that period, regardless of the coverage status of such individuals. Additionally, Client agrees to pay to RESOURCING EDGE within 15 days following written notice and demand an amount equal to all claims covered by the RESOURCING EDGE sponsored medical plan with respect to a CLIENT COBRA Beneficiary.
  - (e) The fees listed above are in addition to premium payments payable by Client COBRA Beneficiaries and constitute the reasonable costs incurred by RESOURCING EDGE in maintaining

COBRA coverages as such costs are difficult to estimate prior to being incurred.

- 8. Limit of Service.
  - (a) RESOURCING EDGE shall only provide those Services set forth in Schedule A and any additional services as agreed in writing by the Parties and incorporated in a schedule or addendum with its respective fees. No other services shall be provided or implied, including without limitation any strategic, operational or other business-related decisions with regard to Client's business. Such decisions shall exclusively be the responsibility of Client and RESOURCING EDGE shall bear no responsibility or liability for any actions or omissions by Client. Client shall be acting solely on its own volition and responsibility when implementing such business decisions, whether or not the actions are implemented by Registered Employees.
  - (b) If any of the Services require RESOURCING EDGE to debit funds from a Payee's account, Client agrees that it shall be liable for any such debit initiated by RESOURCING EDGE and shall indemnify RESOURCING EDGE in full against any loss, liability, expenses or damage arising from: (i) any fraudulent or criminal acts of Client, Registered Employee, third party or any other employee or agent of Client or (ii) any claim by such Payee or any other third party against RESOURCING EDGE in connection with such debit, unless such claim was the result of RESOURCING EDGE's gross negligence or willful misconduct.
  - (c) Neither RESOURCING EDGE nor any Originating Bank shall be liable for any damages to Client arising from any decision to refrain from or delay issuing any credit or debit instructions with respect to an EFT payment to a third party if: (i) RESOURCING EDGE is unable, after reasonable efforts, to verify such debit or credit instructions in accordance with an agreed upon security procedure or (ii) RESOURCING EDGE has not received timely funds from Client as required under Section 2 of these Terms and Conditions. Client shall be bound by any debit/credit instructions issued in respect of Client and received and verified by the Originating Bank in accordance with agreed upon security procedures, and neither RESOURCING EDGE nor such Originating Bank will be liable for any loss sustained from any instructions that are not authentic if such security procedures have been followed in good faith. Client agrees that RESOURCING EDGE shall not be liable for any loss or damages arising from any act or omission of any clearing house, correspondent bank or agent required to be used to provide the Services under the Parties' Agreement and these Terms and Conditions.
  - (d) All Services provided hereunder will be based upon information provided to RESOURCING EDGE by Client, and RESOURCING EDGE will be entitled to rely on any information or instructions provided by Client and will not be liable for relying on such information or following such instructions.
  - (e) DISCLAIMER OF WARRANTIES. EXCEPT AS EXPRESSLY SET FORTH IN the Parties' Agreement and these TERMS AND CONDITIONS, RESOURCING EDGE EXPRESSLY DISCLAIMS ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, NON-INFRINGEMENT, NON-INTERRUPTION OF USE AND FREEDOM FROM PROGRAM ERRORS.
  - (f) LIMIT OF LIABILITY. RESOURCING EDGE SHALL, UNDER NO CIRCUMSTANCES, BE RESPONSIBLE OR LIABLE FOR ANY SPECIAL, INDIRECT, INCIDENTAL OR CONSEQUENTIAL DAMAGES (INCLUDING LOST BUSINESS, PROFITS, AND GOOD WILL) WHICH CLIENT MAY INCUR AS A RESULT OF RESOURCING EDGE'S FAILURE TO PERFORM ANY TERM OR CONDITION OF THE PARTIES' AGREEMENT OR THESE TERMS AND CONDITIONS, OR AS A RESULT OF RESOURCING EDGE EXERCISE OF ITS RIGHTS UNDER THE PARTIES' AGREEMENT OR THESE TERMS AND CONDITIONS, EVEN IF RESOURCING EDGE HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. CLIENT'S SOLE REMEDY FOR RESOURCING EDGE'S FAILURE TO PERFORM THE SERVICES SHALL BE TO TERMINATE THE PARTIES' AGREEMENT IN

ACCORDANCE WITH SECTION 13.

9. Government Investigations, Legal Actions and Inquiries.

- (a) Client represents and warrants that prior to entering into the Parties' Agreement it has disclosed in writing to RESOURCING EDGE, any violations of federal, state or local laws or regulations regarding wage and hour, unfair labor practices or discrimination (including, but not limited to, state and federal EEOC, NLRB and OSHA) and/or any investigation, lawsuit, adversarial proceeding (including those threatened and those not yet asserted) regarding the same, in which Client has been involved in any capacity in the prior five (5) years. Additionally, Client agrees to immediately notify RESOURCING EDGE in writing of any threatened government investigation, inquiry or proceeding during the term of the Parties' Agreement. Client further represents and warrants that Client is current on the payment of all wages, payroll taxes and workers' compensation and benefit plan premiums, assessments and penalties, if applicable.

10. Insurance.

- (a) Client shall during the term of the Parties' Agreement maintain at its own expense the following insurance with minimum limits of \$1,000,000 per occurrence: (i) Commercial General Liability including Products, Completed Operations and/or Errors and Omissions; (ii) Automobile Liability covering owned, hired and non-owned autos; and (iii) Professional Liability, if professional Registered Employees perform work for Client. Each of the policies shall be primary insurance and not excess over or contributory with any other valid, existing and applicable insurance carried by RESOURCING EDGE. Client shall not cancel or reduce the coverage of such policies in any respect, including coverage limits and deductibles, without the prior written approval of RESOURCING EDGE. If such policies are canceled or reduced, RESOURCING EDGE may, at its option, immediately terminate the Parties' Agreement upon written notice to Client. Client will furnish RESOURCING EDGE with a current certificate of insurance as evidence of coverage within fifteen (15) days after execution of the Agreement and at any renewal or replacement of such policies. Additionally, within fifteen (15) days from the date of the Parties' Agreement, Client shall add, at Client's sole expense, RESOURCING EDGE as an additional insured on all of Client's insurance policies listed above with the limits Client has obtained for itself (even if Client's limits exceed the minimums described in this section) except where prohibited by law. Client further represents and warrants that all persons operating Client's vehicles are duly licensed and covered under Client's automobile liability insurance policy and agrees to notify RESOURCING EDGE in advance if it owns or operates aircraft of watercraft or has any foreign operations or expatriates. All of Client's above-required insurance policies, and any excess or umbrella coverages related to such policies that Client has obtained for its operation, will be endorsed to waive any and all rights of subrogation against RESOURCING EDGE.

11. Indemnity.

- (a) Client hereby agrees to indemnify, protect, defend and hold harmless RESOURCING EDGE, its affiliates, parents, subsidiaries and their employees, officers, directors, shareholders, owners, agents and representatives ("RESOURCING EDGE Indemnified Parties") from and against any and all claims, demands, damages (including liquidated, punitive, consequential and compensatory), injuries, deaths, actions, causes of action, costs and expenses, including reasonable attorney's fees at all levels of proceedings, losses and liabilities of whatever nature (including liability to third parties), and all other consequences of any sort, whether known or unknown, without limit and without regard to the cause or causes thereof that may be asserted or brought against any RESOURCING EDGE Indemnified Parties arising from or related to (i) any acts or events that occurred prior to the date of this the Parties' Agreement, (ii) any breach of Client's obligations under the Parties Agreement and these Terms and Conditions, (iii) Client's decision to classify any individual as an independent contractor (iv) any product or service

of Client or the operation of Client's business, and (v) any actions of Client, its Registered Employees, any individual employed by Client and not a Registered Employee, and Client's agents, representatives and independent contractors, including without limitation, any violation of any local, state and/or federal law, regulation, ordinance, directive or rule whatsoever, including but not be limited to all employment-related matters arising under local, state and/or federal right-to-know laws, environmental laws, safety laws, immigration laws, all laws within the jurisdiction of the National Relations Labor Board ("NLRB") and National Labor Relations Act ("NLRA"), OSHA, U.S. Department of Labor and EEOC (including Title VII of the Civil Rights Act of 1964, as amended, the Americans with Disability Act, as amended ("ADA" and "ADAA")), the Age Discrimination in Employment Act ("ADEA"), the Worker Adjustment and Retraining Notification Act ("WARN"), the Fair Credit Reporting Act ("FCRA"), the Immigration Reform and Control Act ("IRCA"), the Older Workers Benefits Protection Act ("OWBPA"), the Employee Retirement Income Security Act ("ERISA"), the Health Insurance Portability and Accountability Act ("HIPAA"), the Patient Protection and Affordable Care Act ("PPACA"), all laws governing wages and hour, all laws governing race, sex, religion, national origin, color, age, veteran status, disability, union status, marital status, harassment of any nature, retaliation, and all other types of discrimination prohibited by applicable law, and all other labor and employment laws.

- (b) RESOURCING EDGE hereby agrees to indemnify, protect, defend and hold harmless Client, its affiliates, parents, subsidiaries and their employees, officers, directors, shareholders, owners, agents and representatives ("Client Indemnified Parties") from and against any and all claims, demands, damages, injuries, deaths, actions, causes of action, costs and expenses, including reasonable attorney's fees at all levels of proceedings, losses and liabilities of whatever nature (including liability to third parties), and all other consequences of any sort, arising out of the gross negligence or willful failure of any corporate employee of RESOURCING EDGE to comply with applicable workers' compensation, withholding payroll tax, or ordinance, or where any action is taken by Client in compliance with a written corporate RESOURCING EDGE policy, procedure or direction which is illegal under any applicable local, state or federal law.

12. Client's Rights and Responsibilities.

- (a) Client retains the right to accept or cancel the assignment of any Registered Employee and shall comply with all applicable law in making such decisions. Client shall be responsible, to the extent permitted by law, for the verification, documentation and retention of Form I-9 for all Registered Employees and for complying with Form I-9 requirements and laws, including but not limited to the Immigration Reform and Control Act of 1986 and state e-verify laws. If any Registered Employee is required to be licensed, registered or certified under any federal, state, or local law or regulation, or to act under the supervision of such a licensed, registered or certified person or entity in performing the employee services, then any such Registered Employee shall be deemed to be an employee of Client for such licensure purposes but shall remain an employee of RESOURCING EDGE for workers' compensation. Client shall be solely responsible for verifying unemployment, tax and benefit purposes (if provided for under such licensure and/or providing the required supervision. Client acknowledges and agrees that it is Client's responsibility to obtain and maintain any necessary visas for Registered Employees and to pay all associated costs. Client acknowledges that the knowing hire of an unauthorized alien by Client is grounds for immediate termination of the Parties' Agreement by RESOURCING EDGE pursuant to Section 13 of these Terms and Conditions.
- (b) Client shall comply at all times with all applicable federal, state and local employment, labor, safety and immigration laws and regulations, including without limitation the Civil Rights Acts of 1866, 1964 (including Title VII) and 1991, the ADEA, the ADA and ADAA, FMLA, FLSA, WARN, NLRA, FCRA, IRCA, OWBPA, PPACA,

ERISA, HIPAA, OSHA, state and local health and safety laws, and all other local, state and federal laws relating to discrimination and harassment in the workplace and any applicable state health or other benefit coverage continuation and conversion laws. Client acknowledges and agrees that the Services provided by RESOURCING EDGE are designed to assist Client in complying with applicable laws and governmental regulations; however, Client (and not RESOURCING EDGE) will be responsible for compliance with all laws and governmental regulations affecting its business and for any use Client may make of the Services to assist it in complying with such laws and governmental regulations. Client will not rely solely on its use of the Services in complying with any laws or governmental regulations.

- (c) Client shall provide to RESOURCING EDGE, at the end of each payroll period and three (3) days prior to Client's payroll date, electronic records of actual time worked by each Registered Employee, verify each Registered Employee's exempt or nonexempt status, verify that all hours worked by Registered Employees are reported to RESOURCING EDGE, and that all hours reported are accurate and in accordance with the requirement of the Fair Labor Standards Act and other laws administered by the U.S. Department of Labor's Wage and Hour Division and any other applicable state laws. Client understands and acknowledges that all information provided regarding Registered Employees at the time of registration and records of hours worked for each payroll period submitted by Client to RESOURCING EDGE, including Payee Details, shall become the basis for RESOURCING EDGE to make payment to Registered Employee bank or pay card accounts or issue checks. Client shall review all payroll reports and documentation provided by RESOURCING EDGE to Client prior to the issuance of payroll and will promptly notify RESOURCING EDGE of any errors. Client acknowledges and agrees that if it fails to timely review and/or correct the payroll report and documentation provided by RESOURCING EDGE to Client prior to the issuance of payroll, the payroll shall be presumed accurate and Client assumes all responsibilities, legal, financial and otherwise, for mistakes or inaccurate information, no matter the cause of same. RESOURCING EDGE shall not be responsible for incorrect, improper or fraudulent records of hours worked. RESOURCING EDGE does not make the determination and is not responsible for improper determination of FLSA status, W-2 status, independent contractor status or status as a statutory employee. Client is required to maintain hard copies of all payroll information submitted to RESOURCING EDGE. Additionally, Client will promptly notify RESOURCING EDGE in writing of any changes with respect to Registered Employees.

#### 13. Termination.

- (a) Following the expiration of the Initial Term, the Parties' Agreement may be terminated by Client so long as Client provides prior written notice of its intent to terminate the Parties' Agreement no later than sixty (60) days prior to the commencement of any Renewal Term. Notwithstanding the foregoing, at any time RESOURCING EDGE may also terminate the Parties' Agreement immediately by issuing written notice to Client in the event that:
- (b) Client fails to immediately pay any fees due hereunder;
- (c) Client materially breaches any term of the Parties' Agreement or these Terms and Conditions;
- (d) RESOURCING EDGE determines, in its sole discretion, that a material adverse change has occurred or will occur in the financial condition of Client or that Client is or will be unable to pay its debts as they become due in the ordinary course of business;
- (e) RESOURCING EDGE or Client receives notice of cancelation and withdrawal (or threatened cancelation and withdrawal) of insurance coverage by RESOURCING EDGE or Client's insurance provider due to Client matters.
- (f) Client breaches any of its obligations under Section 10;
- (g) RESOURCING EDGE determines, in its sole discretion, that Client intentionally failed to report all hours by Registered Employees or directly paid Registered Employees in violation of Section 12(c);
- (h) RESOURCING EDGE determines, in its sole discretion, that Client

provided to RESOURCING EDGE any false or misleading information regarding any material fact related to the Parties' Agreement or these Terms and Conditions or the Services provided by RESOURCING EDGE hereunder; and/or

- (i) Any federal, state, or local legislation, regulatory action or judicial decision is taken with respect to or rendered against Client which, in the sole discretion of RESOURCING EDGE, adversely affects RESOURCING EDGE's interest under the Parties' Agreement and these Terms and Conditions;
- (j) Termination pursuant to this Section 13 is not RESOURCING EDGE's sole remedy for Client's breach of these Terms and Conditions and RESOURCING EDGE retains all other remedies available to it pursuant to this the Parties' Agreement and these Terms and Conditions or to the law.

#### 14. Effect of Termination.

- (a) Client acknowledges that, upon termination of this the Parties' Agreement, the Services provided by RESOURCING EDGE will be terminated, the employment of all Registered Employees by RESOURCING EDGE shall be deemed to be terminated, and RESOURCING EDGE will send all Registered Employees termination notices terminating RESOURCING EDGE's relationship with such Registered Employees. Such termination does not affect the employment relationship Client has with any of its employees, including such Registered Employees. Client shall be responsible thereafter for providing to Registered Employees the services which had been provided by RESOURCING EDGE and shall immediately assume sole responsibility and liability for all federal, state and local obligations of an employer which are not in conflict with federal, state or local law, and shall immediately assume sole responsibility and liability for providing workers' compensation. RESOURCING EDGE shall immediately be released from such obligations as permitted by law and RESOURCING EDGE's sole responsibility to Client shall be to return to Client any Client funds held by RESOURCING EDGE, after the deduction of all fees and expenses due RESOURCING EDGE.
- (b) Termination of the Parties' Agreement does not relieve Client of any of its obligations set forth in the Parties' Agreement or these Terms and Conditions, including but not limited to its payment obligations to RESOURCING EDGE. All outstanding amounts and interest are due and payable upon termination and subject to interest and late fees provided in these Terms and Conditions. Client agrees to pay RESOURCING EDGE for all collection costs, including reasonable attorney's fees and in-house counsel fees, which RESOURCING EDGE incurs as a result of Client's failure to pay outstanding amounts upon termination.
- (c) Upon written request by Client for data or reports regarding Registered Employees contained in RESOURCING EDGE's IT systems, RESOURCING EDGE may, within its sole discretion, provide such data or reports to Client. Client agrees to pay RESOURCING EDGE a processing fee of \$150.00 per hour for such data and/or report retrieval and/or generation.
- (d) All provisions of these Terms and Conditions that by their terms remain in effect following the termination or expiration of the Parties' Agreement shall remain in effect for the period stated. In addition, Sections 5(c), 5(d), 5(e), 5(g), 6(b), 8(b), 8(c), 8(e), 8(f), 10, 11(a), 12, 16, 17, 22 and 24 of these Terms and Conditions shall survive the termination or expiration of this the Parties' Agreement.

#### 15. Early Termination Fee.

- (a) Client acknowledges that it will be difficult for RESOURCING EDGE to predict or prove damages should the Parties' Agreement be terminated by Client prior to the expiration of the Initial Term. Client agrees to the early termination fee specified here as the measure of RESOURCING EDGE's liquidated damages should the Parties' Agreement be terminated by Client prior to the expiration of the Initial Term, or if Client fails to provide advance written notice of its intent to terminate the Parties' Agreement no later than 60 days prior to the commencement of any Renewal Term. Client acknowledges that this early termination fee is \$500.00 (Five

Hundred Dollars and Zero Cents) times the average number of unique Registered Employees reported to RESOURCING EDGE by Client over the three-month period prior to the effective date of the termination or RESOURCING EDGE's receipt of Client's termination notice, at RESOURCING EDGE's option. Client acknowledges that the early termination fee is a reasonable measure of liquidated damages and not a penalty and agrees not to assert otherwise, and that Client's agreement to this early termination fee is a material inducement for RESOURCING EDGE to enter into the Parties' Agreement and these Terms and Conditions. This early termination fee shall not apply if Client is terminating this the Parties' Agreement because (i) the Client goes out of business; and/or (ii) the Client's business is sold to a third party. The current owners and/or executives of Client cannot be the direct or indirect owners or board members of any third party that purchases Client's business for the waiver of the early termination fee described in this provision to apply. Client agrees that in the event that RESOURCING EDGE incurs any professional services expenses such as, but not limited to, attorney's fees, or collection service fees, in the process of collecting any delinquent payment obligation of Client to RESOURCING EDGE, Client agrees that RESOURCING EDGE will be entitled to recover from Client all such costs and expenses.

16. Late Fees.

- (a) **Late Payroll Submission:** Client acknowledges that any failure on its part to provide RESOURCING EDGE with electronic records of actual time worked by each Registered Employee, by no later than at the end of each payroll period and three (3) days prior to Client's payroll date as set forth in Section 12 (c) of these and Conditions shall cause RESOURCING EDGE to incur greater expense in processing payrolls on an expedited basis and shall be considered a "Late Payroll Submission". Client agrees that for each Late Payroll Submission, RESOURCING EDGE shall have the right at its sole discretion to charge Client a \$200.00 ("Two Hundred Dollars and Zero Cents") Late Payroll Submission Fee which shall be due upon the Client's next invoice.
- (b) **Late Registered Employee Submission:** Client acknowledges that any failure on Client's part to provide RESOURCING EDGE with the "Employee Forms" described in Section 3 of these Terms and Conditions for a Registered Employee prior to that individual starting to work for Client pursuant to the Parties' Agreement and these Terms and Conditions shall be considered a Late Registered Employee Submission. Client agrees that for each Late Registered Employee Submission, RESOURCING EDGE shall have the right at its sole discretion to charge Client a \$200.00 ("Two Hundred Dollars and Zero Cents") Late Registered Employee Submission Fee which shall be due upon the Client's next invoice. Nothing in this section shall overturn any of the provisions set forth in Sections 3 (a) and (b) of these Terms and Conditions regarding when an individual becomes accepted as a Registered Employee by RESOURCING EDGE.

17. Personal Data and Confidentiality.

- (a) Client acknowledges that as a result of providing the Services, RESOURCING EDGE will possess and have access to personal data relating to Registered Employees. RESOURCING EDGE agrees to keep such personal data confidential and to only disclose personal data to third parties as is necessary for RESOURCING EDGE to provide the Services. Client authorizes RESOURCING EDGE to possess and collect such personal data and to use such personal data to provide the Services. Client represents and warrants that it is permitted to disclose such employee personal data to RESOURCING EDGE and is not and will not be in breach of its charter documents, any law, judicial or administrative order, employment agreement or any contract to which it is a party as a result of providing such personal data to RESOURCING EDGE.
- (b) RESOURCING EDGE will take reasonable precautions to prevent the loss or alteration to Client's data in RESOURCING EDGE's possession, but does not undertake to guarantee against any such loss or alteration. Client acknowledges that RESOURCING EDGE is not Client's official record keeper and will, to the extent that it deems

necessary or is required by law, keep copies of all source documents of the information delivered to RESOURCING EDGE.

- (c) Client understands that certain parts of the Services will be provided by RESOURCING EDGE through password-protected online platforms. Client agrees that it shall not disclose to any person any personal identification number or password or login ID issued by RESOURCING EDGE to Client or any other access method authorized by RESOURCING EDGE for use in conjunction with the Services. If Client becomes aware of any unauthorized access to the Services by any person, or if Client believes that any such personal identification number or password or login ID has been lost or stolen or otherwise compromised, Client shall notify RESOURCING EDGE in writing immediately. RESOURCING EDGE shall not be liable for any loss, theft or compromise or damage Client, any Registered Employee or any other individual may incur or suffer by reason of any such unauthorized access to the Services or the loss, theft or compromise of any such personal identification number, password or login ID, whether such personal identification number, password or login ID belong to the Client, any Registered Employee or any other individual authorized by Client to access RESOURCING EDGE password-protected online platforms

18. Force Majeure.

- (a) RESOURCING EDGE will be excused from performance under the Parties' Agreement and these Terms and Conditions for any period of time that it is prevented from performing hereunder as a result of an act of God, war, earthquake, typhoon or other natural disaster, fire, power or telecommunication disruption, civil disobedience, riot, act of terrorism, labor dispute, court order, change of law or other cause beyond RESOURCING EDGE's reasonable control.

19. Right of Set-Off.

- (a) To the extent permitted by applicable law and in addition to any other remedy which RESOURCING EDGE may have under the Parties' Agreement and these Terms and Conditions, RESOURCING EDGE may, in its sole discretion, at any time deduct from, set-off, appropriate, combine, withhold, consolidate and/or apply any monies owing by RESOURCING EDGE to Client under the Parties' Agreement and these Terms and Conditions, in or towards settlement or discharge of any sums payable or due to RESOURCING EDGE from Client under the Parties' Agreement and these Terms and Conditions. This Section 19 shall without limitation apply to any amount previously overpaid by RESOURCING EDGE to Client under this Terms and Conditions, any claim that RESOURCING EDGE may have against Client and all sums payable or due RESOURCING EDGE from Client under this Terms and Conditions.

20. Assignment.

- (a) The Parties' Agreement may not be assigned by Client without the prior written consent of RESOURCING EDGE. Any assignment made without such consent shall be null and void. RESOURCING EDGE shall have the right to assign the Parties' Agreement in whole or in part to any parent, subsidiary or subsidiaries, affiliate or third party as it deems appropriate.

21. 1099 Processing.

The Parties agree that Resourcing Edge will process payments to third parties that the Client designates to Resourcing Edge as requiring a United States Internal Revenue Service Form 1099 for payment. Client agrees and acknowledges that any third party that it designates to Resourcing Edge as requiring a 1099 payment shall not be considered a Registered Employee and is not entitled to any insurance coverages, including workers' compensation or group health insurance that a Registered Employee may be entitled to pursuant to the Parties' Agreement and any addendum thereto. Client agrees and acknowledges that it is solely responsible for making the determination as to whether any individual shall be reported to RESOURCING EDGE as a Registered Employee or a third party requiring a 1099 payment. Client further agrees that Client is solely responsible for filing IRS Form 1096 and RESOURCING EDGE

will neither prepare nor file an IRS Form 1096 on behalf of Client. Client agrees to pay RESOURCING EDGE the fees set forth in Schedule A for 1099 processing.

22. Non-Solicitation.

- (a) During the term of the Parties' Agreement and for a period of one (1) year thereafter, neither party shall directly or indirectly solicit for employment, or advise or recommend to any other person that they employ or solicit for employment, any employee of the other party. This provision shall not restrict Client from hiring any Registered Employees following termination of the Parties' Agreement.

23. Employment Practices Liability Insurance.

- (a) As of the Effective Date of the Parties' Agreement, RESOURCING EDGE has secured Employment Practices Liability Insurance ("EPLI") that provides coverage for certain employment-related claims involving Registered Employees. The current terms and conditions (including annual limits and deductibles) are subject to change by RESOURCING EDGE's insurance provider(s). Nothing in these Terms and Conditions is intended to create a right to insurance. In addition, the terms of such insurance policy are intended to be solely applicable to Registered Employees and to no other employees or independent contractors who may be employed outside the terms of the Parties' Agreement and these Terms and Conditions. The EPLI policy shall not cover any claim or cause of action that arose or existed prior to the Effective Date of the Parties' Agreement. Timely notification to RESOURCING EDGE of a claim or prospective claim covered by the applicable EPLI policy is a prerequisite to coverage. To the extent the provisions of these Terms and Conditions conflict with such policy, the provisions of the EPLI policy shall control. Additionally, on claims covered by such EPLI policy, Client agrees to pay the total deductible pursuant to the EPLI policy (regardless of whether the claim is against Client, RESOURCING EDGE, or Client and RESOURCING EDGE). RESOURCING EDGE shall have exclusive control over the selection of legal counsel regarding claims that are covered under RESOURCING EDGE's EPLI policy. RESOURCING EDGE reserves the right to not provide a defense in those situations where Client has taken action against a Registered Employee without the prior consultation of RESOURCING EDGE or where Client has failed to follow RESOURCING EDGE's directives that are based on applicable laws, rules or regulations. The Parties agree that EPLI coverage ceases upon termination of the Parties' Agreement and that claims tendered after the effective date of termination of the Parties' Agreement shall not be covered by RESOURCING EDGE's EPLI policy. In the event EPLI becomes unavailable on terms acceptable to RESOURCING EDGE or RESOURCING EDGE elects to no longer provide EPLI coverage (in RESOURCING EDGE's sole discretion), Client will be immediately notified. Notwithstanding the forgoing, in the event of coverage by multiple policies, Client's insurance shall be primary.

24. Miscellaneous.

- (a) The Parties' Agreement shall be governed by the laws of Texas.
- (b) Except for unpaid invoices, other billed obligations owed by Client (including, but not limited to, any Early Termination Fees or Late Fees as provided for in Sections 15 and 16, or 1099 Processing Fees as provided for in Section 21 ) or any breach or threatened breach of the confidentiality provisions, any dispute arising out of or in connection with the Parties' Agreement, if not otherwise resolved, shall be determined by binding arbitration in Rockwall, Texas, in accordance with the commercial rules of the American Arbitration Association and any dispute arising out of or in connection with any other agreement between the Parties may be consolidated into the same arbitration proceeding. The Parties agree that the prevailing party in arbitration and subsequent judicial proceedings be entitled to reasonable costs and attorney's fees incurred in such action or proceeding, in addition to any other relief to which such prevailing party is entitled, and that the award may be entered as a judgment in any court having jurisdiction over either party to the Parties' Agreement. This arbitration provision shall survive the termination

of this the Parties' Agreement.

- (c) The Parties' Agreement and these Terms and Conditions contain the entire understanding of the Parties and, except as provided in this paragraph, may be modified only by a subsequent writing signed by both Parties. Client acknowledges that there have been no other representations or warranties made by RESOURCING EDGE or Client, which are not set forth in the Parties' Agreement or these Terms and Conditions. Client further acknowledges that it has not been induced to enter into the Parties' Agreement by any representation or warranty not set forth in the Parties' Agreement or these Terms and Conditions.
- (d) If any provision of the Parties' Agreement or these Terms and Conditions or any portion thereof shall be held to be invalid, illegal or unenforceable, the validity, legality or enforceability of the remainder of the Parties' Agreement and these Terms and Conditions shall not in any way be affected or impaired.
- (e) A failure by RESOURCING EDGE to exercise or delay in exercising any right or remedy provided by the Parties' Agreement and these Terms and Conditions or by law does not constitute a waiver of the right or remedy or a waiver of other rights or remedies. No single or partial exercise of a right or remedy provided by these Terms and Conditions or by law prevents a further exercise of the right or remedy or the exercise of another right or remedy by RESOURCING EDGE.
- (f) In these and Conditions, a "business day" means any day that banks are open for business in the State of Texas.
- (g) Client will execute other documents that may be required by RESOURCING EDGE to perform its responsibilities under the Parties' Agreement and these Terms and Conditions. Client will use the Services in accordance with the instructions and reasonable policies established by RESOURCING EDGE from time to time and communicated to Client. Client will use the Services only for its own internal business purposes, and will not provide, directly or indirectly, the Services or any portion thereof to any third party.
- (h) These Terms and Conditions shall inure to the benefit of, and be binding upon, the Parties and their respective heirs, successors, representatives and assigns.
- (i) Client acknowledges and agrees that RESOURCING EDGE is not engaged in the practice of law or the provision of legal services, and that Client alone is completely and independently responsible for its own legal rights and obligations.
- (j) The Parties' Agreement and these Terms and Conditions are for the sole benefit of the Parties hereto and their permitted assigns, and nothing expressed or implied shall give or be construed to give to any person, other than the Parties hereto and such permitted assigns, any legal or equitable rights hereunder.
- (k) Client represents and warrants that it has disclosed to RESOURCING EDGE and will promptly notify RESOURCING EDGE during the term of the Parties' Agreement (1) all employees who are union members or who are subject to collective bargaining agreement; (2) of any organizing activities; or (3) if Client intends to execute, or is in the process of negotiating, a collective bargaining agreement. Client acknowledges and agrees that any liability and/or responsibility with regard to a union or collective bargaining agreement between the Client and a Registered Employee shall be exclusively between the parties to that agreement and RESOURCING EDGE shall not be party to any such agreement.
- (l) In the event Client files a voluntary petition under Chapter 11 of the United States Bankruptcy Code, Client agrees that it will (1) notify RESOURCING EDGE as soon as practical and prior to such filing if allowable; (2) immediately seek to obtain permission from the Bankruptcy Court to pay any amounts owed on account of prepetition wages to Registered Employees and RESOURCING EDGE; and (3) agree to jointly file a motion with the Bankruptcy Court that states that if Client defaults on its payment obligations to RESOURCING EDGE, RESOURCING EDGE may terminate the Parties' Agreement without the Bankruptcy Court's approval.
- (m) Client warrants that it is not a federal, state or local government contractor or subcontractor and that none of the Registered Employees perform work on government contracts, except as



previously disclosed in writing to RESOURCING EDGE. Client agrees to provide written notice to RESOURCING EDGE prior to entering into any government contracts.

(n) All notices under the Parties' Agreement and these Terms and Conditions will be deemed effective upon delivery by certified mail,

return receipt requested, to the address shown below.

(o) Client specifically authorizes RESOURCING EDGE to conduct credit and background checks on Client and any officers of Client that RESOURCING EDGE deems appropriate.

## State Specific Terms and Conditions

These state specific terms and conditions apply to the extent Client has or may have in the future Registered Employees in the applicable states listed below and may contain applicable law, regulations, rulings or provisions that apply to these Terms and Conditions. The provisions listed under each state below are language that RESOURCING EDGE is required to include in these Terms and Conditions by the respective states and is not otherwise contained in this Terms and Conditions. To the extent the provisions this State Specific Terms and Conditions conflict with these Terms and Conditions, the language in this State Specific Terms and Conditions controls for the applicable state(s) law, regulation or ruling. Any applicable state specific PEO requirements that conflict with either these Terms and Conditions or this State Specific Terms and Conditions will control to the extent of such conflict. RESOURCING EDGE reserves the right to amend this State Addendum with or without notice to Client in the event any state in which Client operates amends or modifies its state law, regulation or ruling.

### Alabama

RESOURCING EDGE assumes the responsibility to pay wages to Registered Employees and to withhold, collect, report, and remit payroll-related and unemployment taxes to the extent that Client has funded the obligations; however, wages shall not include any obligations between Client and a Registered Employee for payment in addition to the Registered Employee's salary, draw or regular rate of pay. Both RESOURCING EDGE and Client shall have a right to hire, terminate, and discipline the Registered Employees subject to the terms of any collective bargaining agreement which may exist. RESOURCING EDGE and Client agree that the term "Registered Employee" shall include officers, directors, shareholders, partners and managers that are registered in accordance with the Parties' Agreement and these Terms and Conditions.

### Arizona

Both RESOURCING EDGE and Client shall have a right to hire, terminate and discipline Registered Employees. If RESOURCING EDGE purchases workers' compensation insurance for Registered Employees, RESOURCING EDGE shall maintain and, if requested by Client upon termination of the Parties' Agreement, provide to Client records regarding the loss experience related to the workers' compensation insurance that was provided to Registered Employees.

### Arkansas

RESOURCING EDGE shall maintain records regarding the premium and loss experience related to workers' compensation insurance provided to Registered Employees under the Parties' Agreement. RESOURCING EDGE shall provide to the Client upon request, at or after the termination of the Parties' Agreement and for a period of ninety (90) days thereafter, records maintained by RESOURCING EDGE regarding the premium and loss experience related to workers' compensation insurance provided by RESOURCING EDGE to Registered Employees. Additionally, Client shall ensure, with the assistance of an Arkansas licensed insurance producer, that any subcontractor of Client has worker' compensation coverage as required by law.

### California

During the term of the Parties' Agreement, RESOURCING EDGE and Client will negotiate for such matters as time, place, work type, conditions, quality, and price of the services to be performed by Registered Employees. RESOURCING EDGE will determine assignments or reassignments of Registered Employees to Client's worksite locations, even though the Registered Employees retain the right to refuse specific assignments and assign or reassign such Registered Employees to perform such services for Client. RESOURCING EDGE retains the authority to assign or reassign a Registered Employee to other clients when a Registered Employee is determined unacceptable by a specific client. RESOURCING EDGE retains the authority to hire, fire and terminate Registered Employees. RESOURCING EDGE shall also set the rate of pay for Registered Employees, whether or not through negotiation with Client. RESOURCING EDGE shall pay Registered Employees from its own account(s). Officers and directors of Client shall not be covered and considered Registered Employees for the purposes of the Parties' Agreement.

### Colorado

RESOURCING EDGE assigns Registered Employees to Client's worksite locations and shall retain the right to discharge, reassign or hire Registered Employees for Client. RESOURCING EDGE intends to maintain the employment relationship between RESOURCING EDGE and its Registered Employees on a long-term, and not temporary, basis. RESOURCING EDGE retains the right to set the rate of pay for Registered Employees and shall pay Registered Employees from its own account(s) and withhold, report and pay any applicable premiums with respect to the Registered Employees' wages in accordance with the Parties' Agreement. Additionally, RESOURCING EDGE will provide to Client certain professional guidance, as described in the Parties' Agreement, including employment training, safety and compliance, and maintain Registered Employee records during the term of the Parties' Agreement. RESOURCING EDGE and Client share the responsibility for directing and controlling Registered Employees and addressing Registered Employee complaints, claims or requests, except as provided by a collective-bargaining agreement. The Parties agree that the provisions of the Workers' Compensation Act of Colorado apply to both RESOURCING EDGE and Client equally. Client agrees and acknowledges that all Registered Employees know of and have consented to co-employment by RESOURCING EDGE.

### Florida

RESOURCING EDGE assumes full responsibility for the payment of payroll taxes and collection of taxes from payroll on Registered Employees regarding payroll reported to and paid by RESOURCING EDGE. Client shall make any and all strategic, operational, and all other business-related decisions regarding Client's business. Such decisions and related outcomes shall exclusively be the responsibility of Client and RESOURCING EDGE shall bear no responsibility or liability for any actions or inactions by Client or by any Registered Employee. Additionally, Client shall have sole and exclusive control over the day-to-day job duties of all Registered Employees and RESOURCING EDGE shall have no responsibilities with regard to the Registered Employees' performance of such day-to-day job duties. Furthermore, RESOURCING EDGE shall have no control over the job site at which, or from which, Registered Employees perform their services. RESOURCING EDGE does not assume any responsibility for and makes no assurances, warranties, or guarantees as to the ability or competence of any Registered Employee. The Parties' Agreement and these Terms and Conditions in no way alters any responsibilities of Client which arise from Section 768.096, Florida Statutes, and Client assumes all responsibilities pursuant to Section 768.096, including, but not limited to, responsibility to perform any and all work history, reference checks and background checks on Registered Employees. Additionally, Client assumes full and complete responsibility for the consequences of performing or failing to perform, initially and on an on-going basis,

such work history, reference checks and background checks on Registered Employees, including, but not limited to, driving record and accident record background checks on Registered Employees. Client expressly absolves RESOURCING EDGE of control over the day-to-day job duties of the Registered Employees and over the job site at which, or from which, Registered Employees perform their services. Client shall be solely responsible for the acts, errors, or omissions of Client or any of the Registered Employees and for the quality, adequacy, and safety of the goods or services produced or sold in Client's business. Client understands and acknowledges that, pursuant to Florida law, it may not enter into a PEO agreement (such as the Parties' Agreement) with RESOURCING EDGE if Client owes a current or prior PEO any money pursuant to any service agreement which existed between the current or prior PEO and Client, or if Client owes a current or prior insurer any premium for workers' compensation insurance. Client represents and warrants that it has met any and all prior premium and fee obligations with regard to workers' compensation premiums and PEO payments. RESOURCING EDGE shall secure workers' compensation coverage in such amounts as is required by applicable law. This will be accomplished by way of a workers' compensation policy issued to RESOURCING EDGE by a carrier admitted to issue such policies in the State of Florida. RESOURCING EDGE retains a right of direction and control over management of safety, risk, and hazard control at the worksite or sites affecting its Registered Employees, including, with regard to Registered Employees: responsibility for performing safety inspections of Client equipment and premises; responsibility for the promulgation and administration of employment and safety policies; and responsibility for the management of workers' compensation claims, claims filings, and related procedures. Upon any request by RESOURCING EDGE or its assigns, Client shall allow an on-site physical examination of such books, records, documents and other information sources deemed appropriate by RESOURCING EDGE and/or its assigns to aid RESOURCING EDGE and its assigns in the determination of proper workers' compensation classifications of Registered Employees and to aid in the determination of payroll amounts paid to such Registered Employees to the extent set forth in Section 440.381, Florida Statutes, and the rules promulgated thereunder. Such examination shall be strictly for the purposes of determining proper workers' compensation classifications of Registered Employees and to aid in the determination of payroll amounts paid to such Registered Employees. Client shall remain obligated to RESOURCING EDGE for any misclassification, delinquency and/or unpaid premium amount found in the audit. This provision shall survive the expiration or other termination of this the Parties' Agreement. RESOURCING EDGE and Client shall each notify, in writing, all Registered Employees of the inception and termination of the Parties' Agreement and its Terms and Conditions.

#### **Idaho**

RESOURCING EDGE assumes responsibility for the withholding and remittance of payroll-related taxes and employee benefits (if applicable) for Registered Employees for which RESOURCING EDGE has contractually assumed responsibility from its own accounts, as long as the Agreement between RESOURCING EDGE and Client remains in force. RESOURCING EDGE retains authority to hire, terminate, discipline, and reassign Registered Employees. However, Client, if it accepts the responsibility for its action, may have the right to accept or cancel the arrangement of any Registered Employee.

#### **Indiana**

RESOURCING EDGE retains the right to set the rate of pay for Registered Employees through negotiation with Client. RESOURCING EDGE is not responsible for any obligations between Client and a Registered Employee for payment in addition to the Registered Employee's salary, draw or regular rate of pay. RESOURCING EDGE shall maintain and provide to Client, at Client's request at the termination of the Parties' Agreement, records regarding loss experience related to workers' compensation insurance coverage if provided to Client under the Parties' Agreement.

#### **Illinois**

RESOURCING EDGE assumes responsibility for the withholding and remittance of payroll-related taxes and employee benefits (if applicable) for Registered Employees for which RESOURCING EDGE has contractually assumed responsibility from its own accounts, as long as the Parties' Agreement between RESOURCING EDGE and Client remains in force.

#### **Kansas**

RESOURCING EDGE and Client acknowledge and agree that the Parties' Agreement is intended to be an ongoing, rather than a temporary or project specific relationship.

#### **Louisiana**

RESOURCING EDGE and Client acknowledge and agree that the Parties' Agreement is intended to be ongoing rather than temporary. Client retains control over its business enterprise and exercises direction and control over Registered Employees as to the manner and method of work done in furtherance of the Client's business, but that authority and responsibility as to other employment matters, including but not limited to hiring, firing, discipline, and compensation are allocated to and shall be between RESOURCING EDGE and Client. The Parties' Agreement is executed between RESOURCING EDGE and Client and subject to the provisions of Louisiana Revised Statutes Sections 23:1761- 23:1768 (Part XII Professional Employer Organizations).

#### **Massachusetts**

Both RESOURCING EDGE and Client are co-employers of Registered Employees and intend for both RESOURCING EDGE and Client to receive exclusive remedy protections for workers' compensation insurance purposes under Massachusetts laws and regulations. A Registered Employee who is required to be licensed, registered or certified according to law or regulation shall be deemed solely an employee of Client for purposes of any such license, registration or certification requirement. RESOURCING EDGE shall be not be engaged in any occupation, trade or profession or other activity that is subject to licensing, registration or certification requirements or is otherwise regulated by a government agency solely by entering into and maintaining a PEO relationship with a Registered Employee who is subject to such requirements or regulation. Client shall have the sole right of direction and control of the professional or licensed activities of Registered Employees and of Client's business. Registered Employees and Client shall remain subject to regulation by the regulatory or governmental entity responsible for licensing, registration or certification of such Registered Employees or Client. Except as provided in M.G.L.A Sections 192 to 203 and in the Parties' Agreement, (i) Client shall be entitled to exercise all rights, and shall be obligated to perform all duties and responsibilities, otherwise applicable to an employer in an employer relationship; (ii) RESOURCING EDGE shall be entitled to exercise only those rights, and obligated to perform only those duties and responsibilities, specifically required pursuant to section M. G. L. A. Sections 192 to 203. Client retains the exclusive right to direct and control Registered Employees as is necessary to conduct Client's business, to discharge any of Client's fiduciary responsibilities or to comply with any licensure requirements applicable to Client or to the Registered Employees. RESOURCING EDGE shall have a right to hire and terminate Registered Employees as may be necessary to fulfill RESOURCING EDGE's responsibilities pursuant to M.G. L. A Sections 192 to 203, and the Parties' Agreement. Client shall be solely responsible for the quality, adequacy, or safety of the goods or service produced or sold in Client's business. Client shall be solely responsible for directing, supervising, training and controlling the work of the Registered Employees with respect to the business activities of the Client and solely responsible for the acts, errors or omissions of the Registered Employees with regard to such activities. Client shall be solely responsible for safety, risk and hazard control at the worksite and compliance with related state and federal laws. Upon termination of the Parties' Agreement, Client shall be solely responsible for providing employees with information regarding the handling of claims. A Registered Employee shall not be, solely as the result of being a Registered Employee of RESOURCING EDGE, an employee of RESOURCING EDGE for purposes of general liability insurance, fidelity bonds surety bonds employer's liability that is not covered by workers' compensation or liquor liability insurance carried by RESOURCING EDGE unless the Registered Employees

are included by specific reference in the Parties' Agreement and applicable prearranged employment contract, insurance contract or bond. Client shall be solely responsible for notifying Resourcing Edge of all Registered Employees. However, where Client has failed to notify RESOURCING EDGE, Client will be deemed to be the sole employer of the employee. Client shall retain all records in compliance with state and federal law, including, but not limited to, Section 52C of Chapter 149, Section 15 of Chapter 151 and 29 CFR Part 516.

#### **Michigan**

RESOURCING EDGE shall retain a right to hire, discipline and terminate Registered Employees, to the extent required by the Michigan Professional Employer Organization Act. Client may also hire, discipline and terminate Registered Employees. RESOURCING EDGE shall not be responsible for any obligations between Client and a Registered Employee for payment in addition to the Registered Employee's salary, draw or regular rate of pay. Both RESOURCING EDGE and Client shall comply with the Workers' Disability Compensation Act of 1969m 1969 PA 317, MCL 418.101 to 418.941.

#### **Missouri**

RESOURCING EDGE and Client acknowledge that Client shall be entitled to exercise all rights and shall be obligated to perform all duties and responsibilities otherwise applicable to an employer in an employer relationship. RESOURCING EDGE shall be entitled to exercise only those rights and obligated to perform only those duties and responsibilities under Section 285.700 to 285.750 or set forth in the Parties' Agreement. The rights, duties, and obligations of RESOURCING EDGE as co-employer with respect to any Registered Employee shall be limited to those arising pursuant to the Parties' Agreement and sections 285.700 to 285.750 during the term of co-employment by RESOURCING EDGE of such Registered Employee. Unless otherwise expressly agreed by RESOURCING EDGE and Client in the Parties' Agreement, Client retains the exclusive right to direct and control the Registered Employees as is necessary to conduct the Client's business, to discharge any of the Client's fiduciary responsibilities, or to comply with any licensure requirements applicable to the Client or to the Registered Employees. Resourcing Edge shall have a right to hire, discipline, and terminate a Registered Employee as may be necessary to fulfill RESOURCING EDGE's responsibilities under Sections 285.700 to 285.750 and the Parties' Agreement. Client shall have a right to hire, discipline and terminate a Registered Employee. Client shall be solely responsible for the quality, adequacy or safety of the goods or services produced or sold in Client's business. Client shall be solely responsible for directing, supervising, training and controlling the work of the Registered Employees with respect to the business activities of Client and solely responsible for the acts, errors or omissions of the Registered Employees with regard to such activities. A Registered Employee is not, solely as a result of being a Registered Employee, an employee of RESOURCING EDGE, for the purpose of general liability insurance, fidelity bonds, surety bonds, employer's liability that is not covered by workers' compensation, or liquor liability insurance carried by RESOURCING EDGE unless the Registered Employees are included by specific reference in the Parties' Agreement and applicable prearranged employment contract, insurance contract or bond.

#### **Montana**

RESOURCING EDGE assumes responsibility for the payment of wages of Registered Employees, workers' compensation premiums, payroll-related taxes, and employee benefits (if applicable) from its own accounts without regard to payments by the Client. Additionally, with respect to a Registered Employee supplied by RESOURCING EDGE to Client, Client shall be jointly and severally liable for the payment of any wages, workers' compensation premiums, and payroll-related taxes and for any benefits left unpaid by RESOURCING EDGE and that, in the event that the RESOURCING EDGE's license is suspended or revoked, this liability is retroactive to the Client's entering into the Agreement with RESOURCING EDGE. Additionally, Client acknowledges and agrees that it is responsible for compliance with the Montana Safety Culture Act, Title 39, Chapter 71, Part 15.

#### **Nebraska**

RESOURCING EDGE and Client acknowledge and agree that the Parties' Agreement is intended to be ongoing rather than temporary. RESOURCING EDGE shall have a right to hire, discipline, and terminate Registered Employees as may be necessary to fulfill RESOURCING EDGE's responsibilities under Nebraska's Professional Employer Organization Registration Act and the Parties' Agreement. Client shall also have a right to hire, discipline, and terminate a Registered Employee. Unless otherwise set forth in the Parties' Agreement and its Terms and Conditions, RESOURCING EDGE shall obtain workers' compensation coverage for Registered Employees. However, Client shall not be relieved of its obligations under the Nebraska Workers' Compensation Act if RESOURCING EDGE fails to obtain workers' compensation insurance for Registered Employees.

#### **Nevada**

Workers' compensation coverage provided by RESOURCING EDGE to Client pursuant to the Parties' Agreement and these Terms and Conditions cannot take effect until Client executes the Parties' Agreement and coverage is not in effect until the effective date designated by RESOURCING EDGE's insurer in the policy. While the policy is in force, RESOURCING EDGE will pay all premiums for Registered Employees required by the policy, including, without limitation, any adjustments or assessments, and will be entitled to any refunds of premiums. Client agrees that the insurer from whom the workers' compensation insurance policy is obtained by RESOURCING EDGE has the right to inspect the premises and records of Client. Client's loss experience will continue to be reported in the name of the Client to the Commissioner and will be available to subsequent insurers upon request. RESOURCING EDGE's workers' compensation insurance covers only those Registered Employees acknowledged in writing by RESOURCING EDGE to be Registered Employees of RESOURCING EDGE who are being leased to Client. Client is responsible at all times for providing coverage for workers' compensation for any employees of Client who are not leased from RESOURCING EDGE and Client shall produce satisfactory evidence of such coverage to the insurer from whom the policy of workers' compensation insurance is obtained by RESOURCING EDGE. Except as otherwise provided by law, all services provided by RESOURCING EDGE to Client will cease immediately on the effective date of any termination of the Parties' Agreement.

#### **New Hampshire**

RESOURCING EDGE and Client acknowledge and agree that the Parties' Agreement is intended to be ongoing rather than temporary, and not aimed at temporarily supplementing Client's work force. Additionally, Client is jointly and severally liable for the payment of state unemployment insurance taxes for Registered Employees.

#### **New Jersey**

RESOURCING EDGE retains the authority to hire, terminate, discipline, and reassign each Registered Employee. However, no Registered Employee shall be reassigned to another Client without that Registered Employee's consent and Client may have the right to accept or cancel the assignment of any Registered Employee. RESOURCING EDGE has provided or will provide written notice of the relationship between RESOURCING EDGE and Client to each Registered Employee it assigns to perform services at Client's worksite. RESOURCING EDGE shall, except for newly established business entities, hire its initial Registered Employee complement from among employees of Client at the time of execution of the Parties' Agreement at comparable terms and conditions of employment as are in existence at Client at the time of execution of the Parties' Agreement and as designated by Client. Throughout the term of the Parties' Agreement the Registered Employee shall be considered employees of the RESOURCING EDGE and Client and upon the termination of the Parties' Agreement the former Registered Employee shall be considered employees

of Client. During the term of the Parties' Agreement, RESOURCING EDGE and Client shall continue to honor and abide by existing collective bargaining agreements applicable to the Registered Employees. Upon expiration of the Parties' Agreement, Client shall continue to honor and abide by existing collective bargaining agreements applicable to the Registered Employees. Client shall continue to honor and abide by the terms of any applicable collective bargaining agreements, and upon expiration thereof, any obligations of Client to bargain in good faith in connection with such collective bargaining agreements shall not be affected in any manner by the Parties' Agreement. RESOURCING EDGE shall provide workers' compensation insurance for Registered Employees pursuant to the terms and conditions of the Parties' Agreement. RESOURCING EDGE and Client each shall retain a right of direction and control over management of safety, risk and hazard control at the worksite(s) affecting the Registered Employee including: (1) responsibility for performing safety inspections of Client's equipment and premises; (2) responsibility for the promulgation and administration of employment and safety policies; and (3) responsibility for the management of workers' compensation claims, the filings thereof, and procedures related thereto. Client acknowledges and agrees that a Registered Employee who is required to be licensed, registered, or certified pursuant to any state law or regulation shall be considered solely an employee of Client for purposes of that license, registration, or certification requirement and that RESOURCING EDGE shall not be deemed to engage in any occupation, trade, profession, or other activity that is subject to licensing, registration, or certification requirements, or is otherwise regulated by a governmental entity, solely by entering into the Agreement with Client. Client shall have the sole right of direction and control of the professional or licensed activities of Registered Employees and the Client's business.

#### **New York**

RESOURCING EDGE assumes responsibility for the withholding and remittance of payroll-related taxes and employee benefits (if applicable) for Registered Employees for which RESOURCING EDGE has contractually assumed responsibility from its own accounts, as long as the Parties' Agreement between RESOURCING EDGE and Client remains in force. The Parties' Agreement is intended to be ongoing rather than temporary in nature.

#### **North Carolina**

Client acknowledges and agrees that employment responsibilities not allocated to RESOURCING EDGE by the Parties' Agreement shall remain with Client. RESOURCING EDGE assumes responsibility for the payment of wages to Registered Employees where Client has timely and fully funded payment in advance to RESOURCING EDGE. RESOURCING EDGE assumes responsibility for the payment of payroll taxes and collection of taxes from payroll for Registered Employees. RESOURCING EDGE retains a right of direction and control over the adoption of employment policies and the management of workers' compensation claims, claim filings, and related procedures in accordance with applicable federal laws and the laws of North Carolina. At the termination of the Parties' Agreement if requested by Client, RESOURCING EDGE shall provide records regarding the loss experience related to workers' compensation insurance provided to Registered Employees pursuant to this the Parties' Agreement. Client acknowledges that it may not enter into a PEO agreement or be eligible for workers' compensation coverage in the voluntary market if Client owes its current or prior carrier any premium for workers' compensation insurance, or if Client owes its current or prior PEO amounts due under a PEO agreement. Client represents and warrants that it has met any and all prior premium and fee obligations with regard to workers' compensation premiums and PEO payments. The Parties' Agreement is intended to be ongoing rather than temporary in nature.

#### **North Dakota**

RESOURCING EDGE shall pay wages to a Registered Employee and shall withhold, collect, report, and remit payroll-related and unemployment taxes on wages paid to the Registered Employee by RESOURCING EDGE. Client shall accurately report all wages of a Registered Employee to RESOURCING EDGE. RESOURCING EDGE shall make payments for employee benefits for Registered Employees to the extent RESOURCING EDGE has assumed responsibility in the Parties' Agreement. RESOURCING EDGE has the right to hire, discipline, and terminate a Registered Employee as may be necessary to fulfill the RESOURCING EDGE's responsibilities under the North Dakota Professional Employer Organizations Act and the Parties' Agreement.

#### **Ohio**

The Parties' Agreement may not be terminated by either Party without cause for a period of one (1) year from the Effective Date of the Parties' Agreement. The Parties' Agreement is intended to be ongoing rather than temporary in nature.

#### **Oklahoma**

Both RESOURCING EDGE and Client shall retain authority to hire, terminate, and discipline Registered Employees. To the extent RESOURCING EDGE has assumed responsibility in Parties' Agreement and its Terms and Conditions, RESOURCING EDGE shall make payments for employee benefits for Registered Employees. RESOURCING EDGE shall maintain and provide to Client, at the termination of the Parties' Agreement if requested by Client, records regarding the premium and loss experience related to workers' compensation insurance provided to Registered Employees.

#### **South Carolina**

Pursuant to SC Statute 40-68-70(A), RESOURCING EDGE (1) reserves the right of direction and control over Registered Employees assigned to the Client; (2) assumes responsibility for the payment of wages to Registered Employees without regard to payments by Client to RESOURCING EDGE; (3) assumes responsibility for the payment of payroll taxes and collection of taxes from payroll on Registered Employees; (4) retains the right to hire, fire, discipline, and reassign Registered Employees; and

retains a right of direction and control over the adoption of employment and safety policies and the management of workers' compensation claims, claim filings, and related procedures. Pursuant to SC Statute 40-68-70(A)(6), RESOURCING EDGE further agrees to the following: (a) notice to or acknowledgment of the occurrence of an injury on the part of Client is notice to or knowledge on the part of RESOURCING EDGE and its workers' compensation insurer; (b) for the purposes of South Carolina Workers' Compensation Code, the jurisdiction of Client is the jurisdiction of RESOURCING EDGE and its workers' compensation insurer; (c) RESOURCING EDGE and its workers' compensation insurer are bound by and subject to the awards, judgments, or decrees rendered against them under the South Carolina Workers' Compensation Code; and (d) insolvency, bankruptcy, or discharge in bankruptcy of RESOURCING EDGE or Client does not relieve RESOURCING EDGE, Client, their respective workers' compensation insurers from payment of compensation for disability or death sustained by Registered Employee during the life of a workers' compensation insurance policy. Client agrees to display and to post in a conspicuous place, at each place of its business, the following notice: "We are operating under and subject to the Workers' Compensation Act of South Carolina. In case of accidental injury or death to a Registered Employee, the injured Registered Employee, or someone acting on his or her behalf, shall notify immediately RESOURCING EDGE I, LLC, 1309 Ridge Road, Suite 200, Rockwall TX 75087, Phone (214) 771-4411. Failure to give immediate notice may be the cause of serious delay in the payment of compensation to you or your beneficiaries and may result in failure to receive any compensation benefits."

#### **Tennessee**

RESOURCING EDGE assumes responsibility for the payment of wages of its Registered Employees, its payroll-related taxes and its employee benefits (if applicable) from its own accounts without regard to payments by Client to RESOURCING EDGE.

#### **Texas**

Pursuant to the Texas Labor Code Section 91.032(c), Client is solely obligated to pay any wages that arise under a Terms and Conditions, contract, plan, or policy between Client and the Registered Employee, and that RESOURCING EDGE has not contracted to pay. RESOURCING EDGE shares with Client (1) the right of direction and control over Registered Employees assigned to Client's worksites; (2) the right to hire, fire, discipline, and reassign Registered Employees; and (3) the right of direction and control over the adoption of employment and safety policies and the management of workers' compensation claims, claim filings, and related procedures. **Client is hereby notified that: (a) RESOURCING EDGE is regulated by the Texas Professional Employer Organization Act, Texas Labor Code, Chapter 91; (b) the address for the Texas Department of Licensing and Regulation is P.O. Box 12157, Austin, Texas 78711, telephone number (800) 252-8026, and the department may be contacted regarding unresolved complaints concerning the regulation of professional employer organizations; and (c) Chapter 91 of the Texas Labor Code, as amended, provides that RESOURCING EDGE is not in the unauthorized practice of an occupation, trade or profession which is licensed or certified or otherwise regulated by a governmental entity solely by entering the Parties' Agreement.**

#### **Utah**

Client is responsible for securing workers' compensation coverage for Registered Employees from a carrier licensed to do business in Utah. In the event RESOURCING EDGE obtains or assists Client in obtaining workers' compensation insurance pursuant to this Terms and Conditions, RESOURCING EDGE shall ensure that the Client maintains and provides workers' compensation coverage for Registered Employees.

#### **Virginia**

the Parties' Agreement shall not alter or affect the terms and conditions of any collective bargaining agreement between the Client and its Registered Employees without the consent of the parties to such collective bargaining agreement.

#### **West Virginia**

Client shall retain the right to hire, discipline, and terminate a Registered Employee provided that RESOURCING EDGE has the right to terminate the Parties' Agreement if Client refuses without good cause a request from RESOURCING EDGE that the Client discipline or terminate a Registered Employee as may be necessary to fulfill the RESOURCING EDGE's responsibilities under applicable law and the Parties' Agreement. Except as otherwise provided by law, Client is solely responsible for the quality, adequacy or safety of the goods or services produced or sold in Client's business. Additionally, Client is solely responsible for directing, supervising, training and controlling the work of a Registered Employee, and for the acts, errors or omissions of a Registered Employee when the Registered Employee is engaged in the business activities of Client. RESOURCING EDGE is not liable for the acts, errors or omissions of Client or of a Registered Employee of Client when a Registered Employee is acting under the express direction and control of Client.

#### **Wisconsin**

RESOURCING EDGE shall have the right to hire and terminate Registered Employees who perform services for Client and to reassign the Registered Employees to other clients. RESOURCING EDGE shall have the right to set the rate of pay of Registered Employees, whether or not through negotiations and whether or not the responsibility to set the rate of pay is shared with Client, and shall pay Registered Employees from its own accounts. RESOURCING EDGE shall retain a right of direction and control over Registered Employees, including corporate officers of Client, which right may be shared with Client to the degree necessary to allow Client to conduct its business, meet any fiduciary responsibility, or comply with any applicable regulatory or statutory requirements. RESOURCING EDGE shall assume responsibility for the unemployment insurance coverage of Registered Employees, file all required reports, pay all required contributions or reimbursements due on the wages of the Registered Employees, and otherwise comply with all of the provisions of the Wisconsin Unemployment Insurance Code that are applicable to employers on behalf of Client. RESOURCING EDGE shall establish, fund, and administer employee benefit plans for Registered Employees.

#### **Wyoming**

In accordance with the Wyoming Employment Security Law, RESOURCING EDGE shall have the right to set the rate of pay for Registered Employees, whether or not through negotiations, and to pay Registered Employees directly. Client shall be responsible for submitting recommended rate of pay to RESOURCING EDGE for each Registered Employee. RESOURCING EDGE shall assign Registered Employee to perform services for Client, and has the right to determine the assignment of Registered Employee even though a Registered Employee retains the right to refuse specific assignments. Additionally, RESOURCING EDGE retains the right to assign or refuse to assign a Registered Employee to other clients if the Registered Employee is unacceptable to Client. RESOURCING EDGE and Client have and will continue to negotiate matters of time, place, type of work, working conditions, quality and price of the service.

## Terms and Conditions

### Small Business Efficiency Act Compliance for Certified Professional Employer Organization

1. Resourcing Edge, to the extent required by 26 U.S.C. Section 7705(e)(2)(D), assumes responsibility for recruiting, hiring, and firing assigned employees, in addition to Client's responsibilities on each of these subjects. This assumption of responsibility by Resourcing Edge, in addition to Client's responsibility on the same subject, is not expansive in nature and Resourcing Edge's responsibility is limited to Resourcing Edge's adding and removing assigned employees from Resourcing Edge's payroll, following such assigned employees' recruitment, hiring, and/or firing by Client, which shall be done by Resourcing Edge solely in accordance with Client's instructions to Resourcing Edge. Notwithstanding this provision, to the fullest extent allowed pursuant to applicable law Client is hereby allocated such rights, authority, and responsibility to allow Client to exercise sole and exclusive control over the day-to-day job duties of all assigned employees and sole and exclusive control over the job site(s) at which, or from which, assigned employees perform their services. Additionally, Client and not Resourcing Edge, shall have the right to control the manner, means, and details of the work performed by the assigned employees. In this regard, the authority and responsibility to change assigned employees' terms and conditions of employment, to control such terms and conditions of employment, the services provided by assigned employees, and the tools and equipment used by assigned employees, are all the sole responsibility of Client. Resourcing Edge only reserves and retains such rights, authority, and responsibilities as are required by applicable law.
2. Resourcing Edge assumes responsibility for payment of wages to assigned employees to the extent required pursuant to 26 U.S.C. Section 7705(e)(2)(A). This payment to assigned employees shall be without regard to the receipt or adequacy of payment from Client for services rendered by Resourcing Edge. Additionally, to the extent required by applicable law, Resourcing Edge assumes responsibility for reporting, withholding, and paying any applicable taxes as set forth in 26 U.S.C. Section 7705(e)(2)(B) with respect to such assigned employee's wages that have been reported to and where allowed by law been paid by Resourcing Edge, without regard to the receipt or adequacy of payment from Client for such services. Resourcing Edge shall remit these taxes to state, local and federal government agencies. Where allowed by law, Client retains the sole ability to determine the assigned employees' wage rates and method of pay. Any assumption of responsibility by Resourcing Edge set forth herein for payment of wages shall be read in Pari Materia with applicable state law and in no way alters Client's obligation to pay Resourcing Edge in accordance with these Terms and Conditions. To the extent allowed by applicable law, in the event Client does not pay Resourcing Edge for all services rendered, Resourcing Edge may pay assigned employees at the minimum wage rate or minimum salary provided for in the Fair Labor Standards Act and pursuant to applicable state law. Where allowed by law, in these Terms and Conditions, the term "wages" does not include any obligation on the part of Resourcing Edge to assume any contractual obligation which may exist between Client and any assigned employee, or any other compensation or benefit, in any form and does not include any obligation between Client and any assigned employee for payments beyond or in addition to the assigned employee's salary, draw, or regular rate of pay unless Resourcing Edge specifically adopts such obligations by way of a written agreement entered into with the assigned employee and signed by an officer of Resourcing Edge. The parties agree that as of the Effective Date of the Parties' Agreement, Resourcing Edge has not assumed any of the aforementioned additional obligations of Client as set forth in this Section and Resourcing Edge has assumed no contractual obligation which may exist between Client and any assigned employee. In this regard, Resourcing Edge does not assume responsibility for payment of bonuses, commissions, severance pay, deferred compensation, profit sharing, vacation, sick, or other paid time off pay, compensation, benefit, or for any other payment not required by law, in any form, where payment for such items has not been received by Resourcing Edge from Client.
3. To the extent required by applicable law, pursuant to 26 U.S.C. Section 7705(e)(2)(C), Resourcing Edge assumes responsibility for any employee benefits which the Parties' Agreement and these Terms and Conditions requires Resourcing Edge to provide, without regard to the receipt or adequacy of payment from Client for such benefits. This provision, however, in no way alters Client's obligation to pay Resourcing Edge for all employee benefits provided by Resourcing Edge pursuant to the Parties' Agreement and these Terms and Conditions. The parties acknowledge that any benefits provided herein that are not required to be provided either by law or by the Parties' Agreement and these Terms and Conditions are not subject to payment by Resourcing Edge without regard to the receipt or adequacy of payment from Client.
4. Resourcing Edge shall maintain employee records relating to assigned employees to the extent required by 26 U.S.C. Section 7705(e)(2)(E).
5. Resourcing Edge agrees to be treated as a certified professional employer organization for purposes of 26 U.S.C. Section 3511. Client acknowledges that with respect to remuneration paid by Resourcing Edge to self-employed individuals, such remuneration is not covered by 26 U.S.C. Section 3511 and Resourcing Edge is not responsible for the federal employment taxes on such remuneration.
6. Client acknowledges and agrees that it may also be liable for federal employment tax on remuneration remitted by Resourcing Edge to Registered Employees if it ever comes to be that less than 85% of the individuals performing services for the Client at the Client's worksites are Registered Employees of Resourcing Edge.
7. Resourcing Edge will provide Client with wage information regarding Client's Registered Employees in Resourcing Edge's possession to allow Client to claim tax credits specified in 26 CFR Section 31.3511-1 (e) (2).
8. Resourcing Edge will provide Client written notice: (i) if Resourcing Edge's certification as a Certified Professional Employer Organization with the United States Internal Revenue Service is suspended or revoked; or (ii) if Client's Agreement has been transferred to another person or entity and provide Client with the name and EIN of such other person or entity.
9. Should any provision in this SBEA Compliance Section conflict with any other provision contained in these Terms and Conditions, the terms of this SBEA Compliance Section shall prevail.