

## 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 Covered 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. RESOURCING EDGE reserves the right to assess, and Client agrees to pay, an additional fee as it relates to SUTA in Client Reporting States over the stated renewal notice provided by that individual state(s). 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 Covered 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 Covered 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 Covered 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 Covered 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. Covered Employees.

Prior to a Covered 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 by 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 Covered Employee 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 provide services for any individual or Covered 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 Covered Employees to perform any work or services for which Covered Employees are not adequately licensed or qualified or that are outside of the applicable workers' compensation classification code. Client further agrees not to allow Covered 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-Covered 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 Covered 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 Covered Employees' RESOURCING EDGE assigned workers' compensation codes.

#### 4. 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 Covered 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 Covered 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 Covered 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) 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 Covered 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 Covered 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.

#### 5. Benefits Plans.

- (a) RESOURCING EDGE, in its sole discretion and as requested by Client, may make certain employee benefits available to Covered 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 plan administration and insurance agency/brokerage 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 services provided to the Plan. To the extent Client does not approve of RESOURCING EDGE'S provision of services and 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 insurance agency/brokerage services 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 Covered Employees ("Client Plans"), such Client Plans, regardless of whether they provide benefits to Covered 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. As requested by Client, Resourcing Edge may assist in the administration of Client Plans subject to the terms and conditions herein.
- i. Pursuant to Client's written instruction, Resourcing Edgeshall:
1. Coordinate Client contributions and Covered Employee premium withholdings;
  2. Collect and transmit enrollment information to the appropriate insurance providers based on information provided by Client; and
  3. Provide electronic open enrollment web portal access.
- ii. Client shall be responsible for the following:
1. Distribution of enrollment and benefit plan materials to eligible participants;
  2. Determining participant eligibility;
  3. All government filings and notices (including but not limited to 5500s, COBRA, HIPAA, Medicare Part D, WHCRA, MHPA, etc.); and
  4. Creation, maintenance and distribution of plan documents, summary plan descriptions and certificates of coverage.
- iii. Additionally, Client acknowledges and agrees to the following:
1. Resourcing Edge has provided no advice as to whether Client should obtain and maintain its own Client Plan or utilize a plan sponsored by Resourcing Edge. Client has made its own independent determination as to the health or other plans it wishes to utilize.
  2. Client is the sole plan sponsor, plan administrator and named fiduciary, and Client agrees to perform all duties and responsibilities associated therewith. Neither Resourcing Edge nor any employee, agent, or director of Resourcing Edge shall be a fiduciary (as defined by ERISA) of any Client Plans, and neither Resourcing Edge nor any employee, agent or director of Resourcing Edge shall have any responsibilities or rights that would cause Resourcing Edge or any such person to be a fiduciary or plan sponsor of a Client Plans.
  3. Client acknowledges that the Client Plan administrative services provided by Resourcing Edge are non-discretionary, ministerial in nature and performed solely based upon the Client's written instruction.
  4. Client is solely responsible for verifying that contributions to Client Plans are deposited on a timely basis and that Client Plans are in compliance with applicable laws, rules and regulations with regard to Client Plans including but not limited to ERISA.
  5. Resourcing Edge has agreed to administratively deduct the appropriate contributions from Covered Employee's paychecks as directed by Client and transmit such contributions to the trustee of Client Plans, however, Client remains solely responsible and liable for ensuring that such contributions are timely deposited.
  6. Resourcing Edge may rely on the accuracy of the information provided by Client in relation to Client Plans and Client is responsible for all administration, documentation, reporting and disclosure and shall be responsible for all discrimination testing that exists or that may arise in relation to Client Plans.
  7. Client shall supply Resourcing Edge all information necessary

for Resourcing Edge to accurately report health benefits on W-2 forms and such other forms required by law.

8. Client agrees that to the fullest extent allowed by law, Client Plans shall be the applicable plan for COBRA purposes and Client is solely responsible for COBRA coverage and compliance matters. In the event client elects to have Resourcing Edge assist in the COBRA administration, Client is solely responsible for providing Resourcing Edge all information necessary to assist in COBRA administration, including but not limited to, carrier information and access, plan designs, premiums, and a client contact for COBRA benefit administration. Additionally, Client is solely responsible for compliance with all other applicable local, state and federal laws affecting Client Plans.
  9. Client shall provide to Resourcing Edge at least thirty (30) days advance notice of the addition of any new Client Plans, or the cancellation, change, or amendment to any Client Plans.
  10. Client is solely responsible for providing Resourcing Edge all information necessary to assist in the administration of its Client Plans including but not limited to supplying carrier systems access, descriptions of plan designs, designated contribution levels, and a client contact for benefit administration services. Such information shall be provided in writing and Resourcing Edge may rely on the accuracy of the information provided by Client. Client shall provide prompt notice of any change of client contact. Client retains all liabilities related to the Client Plans and compliance. In no event shall Resourcing Edge be responsible for payment of premiums or fees to Client Plan carriers.
  11. Client 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 the administration of any Client Plans; any applicable federal, state or local law, including but not limited to ERISA, PPACA, COBRA, HIPAA and FMLA; breaches of fiduciary duty with respect to Client Plans; consequences arising from compliance with the instructions of Client, it agents and its insurance carriers; reporting and disclosure requirements of ERISA and the Internal Revenue Code; and any tax consequence resulting from Resourcing Edge limited administration as described herein.
- (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 Covered 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 Covered 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 Covered 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 Covered Employee will receive compensation originating from Client that will not be paid directly by RESOURCING EDGE. Client understands that any payment made to any Covered 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 Covered 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 Covered 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 Covered Employees to have withheld the IRC specified maximum amounts. Client acknowledges that in any event where a Covered 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 Covered 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.

#### 6. 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 Covered 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 Covered 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 Covered 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.

#### 7. 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 Covered 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, Covered 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 12.

**8. Government Investigations, Legal Actions and Inquiries.**

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.

**9. 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 Covered 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 or 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.

- (b) Client shall maintain cyber liability coverage with a minimum coverage limit of \$250,000.00 that shall insure against liability for losses RESOURCING EDGE may incur if client is the victim of a cyber attack. RESOURCING EDGE may secure cyber liability insurance coverage from a carrier licensed to provide such coverage to Client under applicable law. Any such RESOURCING EDGE secured policy shall insure against actual or suspected violation of privacy law due to a breach that results in the unauthorized release of protected personal information. Nothing in this Agreement is intended to create rights to insurance in addition to the terms of such RESOURCING EDGE secured insurance policy. RESOURCING EDGE secured cyber liability coverage shall not cover any claim or cause of action that arose or existed prior to the Effective Date. Neither RESOURCING EDGE nor any insurance carrier shall be obligated to pay for any defense of such claim or cause of action or otherwise participate financially or otherwise in the resolution of such claim.
- (c) 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 Covered 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 Covered 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 Covered 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.

**10. 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 Covered Employees, any individual employed by Client and not a Covered 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.

#### 11. Client's Rights and Responsibilities.

- (a) Client retains the right to accept or cancel the assignment of any Covered 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 Covered 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 Covered 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 Covered Employee shall be deemed to be an employee of Client for such licensure purposes but shall remain covered by RESOURCING EDGE's workers' compensation policy. 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 Covered 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 12 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 Covered Employee, verify each Covered Employee's exempt or nonexempt status, verify that all hours worked by Covered 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 Covered 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 Covered 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 Covered Employees.
- (d) Client maintains sole responsibility for its own compliance with any laws or regulations governing personnel files and records. Client acknowledges that RESOURCING EDGE does not maintain personnel files for Client's employees; however, RESOURCING EDGE's IT systems make available to Client the storage of its employee records as per the Client's preference. Any employee documents sent to RESOURCING EDGE that Client intends to become part of an employee's personnel record should be maintained by the Client as required for its compliance with applicable law.

#### 12. 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:

- i. Client fails to immediately pay any fees due hereunder;
  - ii. Client materially breaches any term of the Parties' Agreement or these Terms and Conditions;
  - iii. 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;
  - iv. 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.
  - v. Client breaches any of its obligations under Section 9;
  - vi. RESOURCING EDGE determines, in its sole discretion, that Client intentionally failed to report all hours by Covered Employees or directly paid Covered Employees in violation of Section 11(c);
  - vii. 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
  - viii. 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;
- (b) Termination pursuant to this Section 12 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.

### 13. Effect of Termination.

- (a) Client acknowledges that, upon termination of this the Parties' Agreement, the Services provided by RESOURCING EDGE will be terminated, and RESOURCING EDGE will send all Covered Employees notices that the professional employer relationship between RESOURCING EDGE, Client and the Covered Employees has been terminated. Such termination does not affect the employment relationship Client has with any of its employees, including such Covered Employees. Client shall be responsible thereafter for providing to Covered 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 Covered 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 4(c), 4(d), 4(e), 4(g), 6(b), 7(b), 7(c), 7(e), 7(f), 9, 10(a), 10(b), 11, 14, 15, 16, 21 and 23 of these Terms and Conditions shall survive the termination or expiration of this the Parties' Agreement.

### 14. Early Termination Fee.

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 Covered 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 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.

### 15. 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 Covered 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 11 (c) of these Terms 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 Covered 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 Covered 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 Covered Employee Submission. Client agrees that for each Late Covered 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 Covered 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 Covered Employee by RESOURCING EDGE.

### 16. 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 Covered 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 Covered 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 Covered Employee or any other individual authorized by Client to access RESOURCING EDGE password-protected online platforms

**17. Force Majeure.**

Each Party 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 such Party's reasonable control.

**18. Right of Set-Off.**

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 18 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.

**19. Assignment.**

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.

**20. 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 Covered Employee and is not entitled to any insurance coverages, including workers' compensation or group health insurance that a Covered 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 Covered 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 B for 1099 processing.

**21. Non-Solicitation.**

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 Covered Employees following termination of the Parties' Agreement.

**22. 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 14 and 15, or 1099 Processing Fees as provided for in Section 20) 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 Terms 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 Covered 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 Covered 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 Covered 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

The following Addendum applies to Covered Employees and to Client to the extent Client has, at any time while the Client Service Agreement (the "Agreement") entered into by the Parties is in effect, Covered Employees working in any applicable state set forth below. Should any provision in any Addendum conflict with wording contained in the Agreement, the terms of the Addendum shall be construed so as to give maximum effect to the term or provision of the Agreement necessary to remain compliant with such amendment specified below and limited only to such terms applicable to Covered Employees working in that respective state. This Addendum is not intended to be an exhaustive list of relevant state laws; it includes amendments only for those states where such an amendment is required or appropriate under the applicable laws of that state

Where a state law requires the sharing of any right, authority or responsibility, this shared reference shall only encompass the obligation of RESOURCING EDGE to comply with decisions made by Client to the extent allowed by applicable law. Additionally, to the extent allowed by applicable law, any requirement set forth in the Agreement, including any Addendum, or in any applicable law, pertaining to RESOURCING EDGE's direction and control over Covered Employees or over any Client worksite and any requirement regarding RESOURCING EDGE's hiring, terminating, disciplining, assigning, reassigning, promoting or exercising any other control over Covered Employees at any worksite where Covered Employees perform their job duties, is the responsibility of Client, does not abridge Client's rights and responsibilities with regard to Client's ability to run its own business, and does not require the actual exercise of such authority, responsibilities or rights by RESOURCING EDGE. RESOURCING EDGE only reserves and retains such rights, responsibilities, and authority as is required by applicable law and employment responsibilities not those of RESOURCING EDGE pursuant to the Agreement or applicable law shall remain with Client.

This Preamble shall be applicable in all states where RESOURCING EDGE has Covered Employees, whether or not there is a state specific Addendum.

### Alabama

a. This Agreement is executed by and between the Parties, subject to the provisions of the Alabama Professional Employer Organization Registration Act, Ala. Code § 25-14-5 et seq. and Alabama Administrative Code r. 480-5-7-.01. This Agreement shall at all times be construed so as to give maximum effect to its terms in compliance with such Act and regulations. Accordingly, RESOURCING EDGE: (i) reserves a right of direction and control over each Covered Employee; (ii) assumes responsibility for the payment of wages to each Covered Employee and to withhold, collect, report, and remit payroll-related and unemployment taxes; and (iii) retains a right to hire, terminate, and discipline each Covered Employee.

b. Except as otherwise provided herein, Client retains the exclusive right to direct or control Covered Employees as is necessary to conduct the business of Client, to discharge the fiduciary responsibilities of Client, or to comply with any licensure requirements application to Client or Covered Employees.

c. Client is solely responsible for the quality, adequacy, and safety of the goods or services produced or sold in Client's business.

d. Client is solely responsible for directing, supervising, training, and controlling the work of Covered Employees with respect to the business activities of Client and is solely responsible for the acts, errors, or omissions of Covered Employees with regard to those activities.

e. RESOURCING EDGE is not liable for the acts, errors, or omissions of Client or of any Covered Employee when the Covered Employee is acting under the express direction and control of Client.

f. A Covered Employee is not considered, solely as the result of being

a Covered Employee, an employee of RESOURCING EDGE for purposes of general liability insurance, fidelity bonds, surety bonds, employer's liability which is not covered by workers' compensation, or other liability insurance carried by RESOURCING EDGE unless the Covered Employee is included by specific, express reference herein or in an applicable employment agreement, insurance contract or bond.

g. Upon termination of this Agreement, RESOURCING EDGE will provide to Client, if requested, records regarding the loss experience related to workers' compensation insurance provided to Covered Employees.

h. RESOURCING EDGE is registered as a Professional Employer Organization ("PEO") and regulated by the Alabama Department of Labor, PEO Division, 649 Monroe Street, Montgomery, AL 36131; phone: (800) 528-5166. Any questions or complaints may be directed to the Director of the Alabama Department of Labor, PEO Division. Client must post the foregoing notice in each administrative office maintained within the state.

i. If Client has worksites in Alabama covered by this Agreement, Client understands that, pursuant to the Alabama Professional Employer Organization Registration Act, "The controlling person of a client of a professional employer organization who fraudulently or falsely procures payroll checks without having adequate funds to compensate and reimburse the professional employer organization shall be guilty of a Class C felony." Ala. Code § 25-14-8(e). By signing this Agreement, Client acknowledges Client has read and understands the preceding sentence.

### Alaska

This Agreement is executed by and between the Parties, subject to applicable provisions of laws of the state of Alaska and shall at all times be construed so as to give maximum effect to compliance with such laws.

### Arizona

a. This Agreement is executed by and between the Parties, subject to the provisions of Ariz. Rev. Stat. Ann. §§ 23-561 to -576, 901.08(D) – (E), and shall at all times be construed so as to give maximum effect to its terms in compliance with such laws.

b. If Client employs any workers in addition to Covered Employees, Client will provide to RESOURCING EDGE the name of the workers' compensation insurance carrier that is providing workers' compensation coverage to such workers and any other related information required by the State.

c. Client shall comply with and agrees to be considered the sole employer for purposes of the Legal Arizona Workers Act and to the extent not prohibited by applicable law, the obligation to comply with this Act is retained solely and exclusively by Client.

d. If requested by Client, upon termination of the Agreement, RESOURCING EDGE will provide to Client records regarding the premiums and loss experience related to workers' compensation insurance provided to Covered Employees under the Agreement.

### Arkansas

This Agreement is executed by and between the Parties, subject to the provisions of the Arkansas Professional Employer Organization Recognition and Licensing Act, Ark. Code Ann. § 23-92-401 et seq., and shall at all times be construed so as to give maximum effect to its terms in compliance with such Act.

## California

- a. This Agreement is executed by and between the Parties, subject to the provisions of California Labor Code § 2675(h), Cal. Code Regs. Tit. 8, § 13633, and all other laws and regulations of the state of California as shall be applicable. The Agreement shall at all times be construed so as to give maximum effect to compliance with such laws and regulations.
- b. With or without consulting assistance from RESOURCING EDGE, Client is solely responsible for completing anti-harassment training, to the extent required by California law, for all Covered Employees either live or online, every two (2) years and within six (6) months of a Covered Employee being hired or being promoted to supervisor position.
- c. Client will not engage in operating a garment manufacturing operation or a car wash operation without RESOURCING EDGE's written consent.
- d. Client assumes all civil legal responsibility and civil liability under California Labor Code § 2810.3.
- e. Client is responsible for implementing and maintaining an Illness Injury and Prevention Program and for otherwise complying with all California mandated health and safety requirements, with or without consulting assistance from RESOURCING EDGE.
- f. Client is responsible for complying with posting and notice requirements under California law, including but not limited to the Wage Theft Protection Act notices, unemployment and disability insurance notices mandated by California's Employment Development Department, expense reimbursement, and new hire workers' compensation insurance related notices.
- g. Client is responsible for ensuring compliance with California meal period, rest break, heat related break, seating, split shift, and minimum reporting time pay requirements, with or without consulting assistance from RESOURCING EDGE.
- h. Client will provide paid sick leave to Covered Employees to the full extent required by California state and local law, with or without consulting assistance from RESOURCING EDGE.
- i. Client is solely responsible for all costs associated with "first aid" claims as defined by California law.
- j. Client agrees that RESOURCING EDGE is not a joint employer for purposes of liability pursuant to the California Wage Orders, Labor Code, and Government Code.
- k. Client agrees that Client and RESOURCING EDGE are not joint employers or dual employers, as those terms are defined by Cal/OSHA. Client is responsible for reporting and recordkeeping requirements under Cal/OSHA regulations related to work-related fatalities, injuries and illnesses of Covered Employees.
- l. Client is responsible for California business taxes, including without limitation, environmental fees required under California Health and Safety Code.
- m. Client is responsible for paycheck statement compliance under California law and compliance with California Labor Code § 226. Client shall collect and maintain, and ensure payroll statements are issued to Covered Employees which include, the following information: (i) gross wages earned; (ii) total hours worked; (iii) the number of piece-rate units earned and any applicable piece rate if paying on a piece-rate basis; (iv) all deductions; (v) net wages earned; (vi) the inclusive dates of the period for payment; (vii) the name of the Covered Employee and only the last four digits of their social security number or an employee identification number other than a social security number; (viii) the name and address of the legal entity that is the employer; and (ix) all applicable hourly rates in effect during the pay period and the

corresponding number of hours worked at each hourly rate. Client acknowledges and agrees that it must issue its own statements to ensure that all this information has been provided to Covered Employees in compliance with California Labor Code § 226 in addition to any payroll statements that may be issued by RESOURCING EDGE.

- n. Additionally, in order to adhere to §§ 201, 213, and 227 of the California Labor Code, Client agrees to provide RESOURCING EDGE at least 48-hour advance notice of its intent to terminate a Co-Employee. Client will be responsible for any fees and/or penalties assessed for failing to provide the required notice.
- o. To the extent Client compensates Covered Employees by the job, load, delivery, or piece, Client is solely responsible for ensuring that its pay practices comply with California wage laws. Included in this requirement is the obligation to ensure Covered Employees are paid the applicable minimum wage and overtime rates (if applicable) for hours worked as well as compensable down time and paid rest time, to the extent required by law.
- p. To the extent Client pays any Covered Employees commissions, Client is solely responsible for compliance with California Labor Code § 2751.
- q. For purposes of California's Employer-Sponsored Retirement Plan, also known as CalSavers, Client acknowledges that it is the "Eligible Employer" and responsible for facilitating employee access to the program if Client does not offer a retirement plan or adopts a RESOURCING EDGE sponsored plan. Cal. Code Regs. Tit. 10, § 10000 et seq.

## Colorado

- a. This Agreement is executed by and between the Parties, subject to the provisions of the Colorado Employment Security Act, Colo. Rev. Stat. § 8-70-101 et seq., and shall at all times be construed so as to give maximum effect to its terms in compliance with such Act.
- b. RESOURCING EDGE intends to assign Covered Employees to Client on a long-term basis and not reassign Covered Employees to a series of limited-term assignments.
- c. RESOURCING EDGE reserves: (i) a right of direction and control over Covered Employees; (ii) a right to set Covered Employees' rate of pay and to pay Covered Employees from its own accounts; and (iii) a right to hire, discipline, terminate, and reassign Covered Employees.
- d. Client will cooperate with RESOURCING EDGE to provide notice to Covered Employees of the respective responsibilities and duties of the parties under the Agreement and obtain their consent thereto.
- e. In accordance with the Colorado Secure Savings Program Act, Colo. Rev. Stat. § 24-54.3-101 et seq., Client agrees to sponsor a Tax-Qualified Retirement Plan for Co-Employees or offer Co-Employees the opportunity to participate in Colorado's SecureSavings Program, 8 Colo. Code Regs. § 1508-3.

## Connecticut

This Agreement is executed by and between the Parties, subject to the provisions of Connecticut's Professional Employer Organization Act, Conn. Gen. Stat. § 31-221a-h, and shall at all times be construed so as to give maximum effect to its terms in compliance with such Act.

## Delaware

This Agreement is executed by and between the Parties, subject to applicable provisions of the laws of the state of Delaware, and shall at all times be construed as to give maximum effect to compliance with such laws.

## Florida

a. This Agreement is executed by and between the Parties, subject to the provisions of Florida's Employee Leasing Act, Fla. Stat. § 468.520 et seq., and shall at all times be construed so as to give maximum effect to its terms in compliance with such Act.

b. RESOURCING EDGE assumes such responsibility for the payment of wages to the Covered Employees without regard to payments by Client to RESOURCING EDGE as is required by law. In the event Client does not pay RESOURCING EDGE for all services rendered, RESOURCING EDGE may pay Covered Employees at the minimum wage rate or minimum salary provided for in the Fair Labor Standards Act and pursuant to Florida law. Notwithstanding anything to the contrary, unless otherwise required by law, the term "wages," pursuant to Florida Administrative Code § 61G7-6.001, does not include any obligation between Client and any Covered Employee for payments beyond or in addition to the Covered 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 Covered Employee and signed by a Controlling Person of RESOURCING EDGE.

c. RESOURCING EDGE assumes full responsibility for the payment of payroll taxes and collection of taxes from payroll on Covered Employees regarding payroll reported to and paid by RESOURCING EDGE.

d. RESOURCING EDGE shall be responsible for providing workers' compensation coverage in such amounts as is required by applicable law and such coverage will be accomplished by way of a workers' compensation policy issued to Client by a Florida-admitted carrier. Client will cause its workers' compensation carrier to issue a certificate of insurance which evidences coverage, names RESOURCING EDGE as the certificate holder of the policy in Florida with respect to Covered Employees, and allows not less than 30 days' notice of cancellation or material change.

e. RESOURCING EDGE reserves such right of direction and control over Covered Employees and shall retain such authority to hire, terminate, discipline and reassign Covered Employees as may be necessary to fulfill RESOURCING EDGE's obligations under Florida law. Notwithstanding this provision, pursuant to Florida Administrative Code § 61G7-6.001 and Florida Statutes § 768.098, Client has been assigned sole and exclusive control over the day-to-day job duties of all Covered Employees and sole and exclusive control over the job site at which, or from which, Covered Employees perform their services and Client expressly absolves RESOURCING EDGE of control over the day-to-day job duties of the Covered Employees and over the job site at which, or from which, Covered Employees perform their services. Additionally, Client, and not RESOURCING EDGE, shall have the right to control the manner, means, and details of the work and the services performed by the Covered Employees. Client also shall have sole and exclusive authority to change the terms and conditions of employment of the Covered Employees. Moreover, the retention of any right of direction and control and authority to hire, terminate, discipline, and reassign the Covered Employees by RESOURCING EDGE does not require the actual exercise of such right or authority by RESOURCING EDGE; rather, RESOURCING EDGE only reserves and retains such rights, authority, and responsibilities as required by applicable law and all other employment responsibilities shall remain with Client. Client has the right to accept or cancel the assignment of any Covered Employee.

f. RESOURCING EDGE retains such right of direction and control over management of safety, risk, and hazard control at the worksite(s) affecting its Covered Employees, including, with regard to Covered Employees: (i) such responsibility for performing safety inspections of Client equipment and premises; (ii) such responsibility for the promulgation and administration of employment and safety policies; and (iii) such responsibility for the management of workers' compensation claims, claims filings, and related procedures, as is required by Florida law. Notwithstanding this provision, pursuant to Florida Administrative Code § 61G7-6.001, Client shall retain sole and exclusive direction and control over the management of safety, risk, and hazard control at the worksite(s) affecting Covered Employees, responsibility for performing safety inspections of Client equipment and premises, and responsibility for the promulgation and administration of employment and

safety policies. RESOURCING EDGE has no presence at any Client worksite(s) and cannot warrant the safety of Client's business and worksite(s). Client expressly waives any claim against any RESOURCING EDGE Indemnified Party based on any safety, risk or hazard issue at Client's worksite(s). Client acknowledges that RESOURCING EDGE, in either providing or not providing such assistance and responsibility as required by law, assumes no liability regarding safety issues at Client's worksite(s) and compliance with all applicable laws related to safety remain Client's sole and exclusive responsibility.

g. RESOURCING EDGE and Client shall each notify, in writing, all Covered Employees of the inception and termination of the Agreement and this Addendum and RESOURCING EDGE shall provide written notice of the relationship between RESOURCING EDGE and Client to each Covered Employee, including notice that workers' compensation coverage is being provided under a policy issued to Client.

h. Under penalties of perjury, the above-signed representative of Client declares that Client has met any and all prior premium and fee obligations with regard to workers' compensation premiums and employee leasing/PEO payments, to all prior employee leasing/PEO and workers' compensation carriers, with which Client has previously had a contractual relationship, if any. Client has read the foregoing sentence and by signing this Agreement swears that the facts stated in the foregoing sentence are true.

i. 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 in order to aid RESOURCING EDGE and its assigns in the determination of proper workers' compensation classifications of Covered Employees and to aid in the determination of payroll amounts paid to such Covered Employees to the extent set forth in Florida Statutes § 440.381, and the rules promulgated thereunder.

j. RESOURCING EDGE does not assume any responsibility for and makes no assurances, warranties, or guarantees as to the ability or competence of any Covered Employee. This Agreement in no way alters any responsibilities of Client which arise from Florida Statutes § 768.096, and Client assumes all responsibilities pursuant to § 768.096, including, but not limited to, responsibility to perform any work history, reference checks and background checks on Covered Employees, including driving record and accident record background checks as more fully set forth in the Agreement.

k. Client shall immediately report to RESOURCING EDGE all complaints, allegations or incidents of any tortious misconduct or workplace safety violations, regardless of the source. Client shall provide to RESOURCING EDGE complete and accurate disclosure of all circumstances surrounding such matters.

l. To the extent allowed by law, all obligations placed upon an employer by applicable law, or by Client's decision, to verify the eligibility of an individual for employment through the E-Verify system operated by the United States Department of Homeland Security ("E-Verify system") or any successor program and to in any manner utilize the E-Verify system, including the obligation to comply with Florida Statutes § 448.095, are retained solely and exclusively by Client. This includes, but is not limited to, the obligation of Client, and not RESOURCING EDGE, to verify the employment eligibility of any new employee of Client whether or not in a relationship with RESOURCING EDGE, by utilizing the E-Verify system. In addition, to the extent allowed by law, Client is solely and exclusively responsible to properly obtain and to maintain all supporting E-Verify documentation and to certify to the State of Florida of Client's compliance with Florida Statutes § 448.095. Any fines or other penalties resulting from Client's failure to follow proper immigration, I-9, or E-Verify obligations, procedures and processes shall be Client's sole responsibility.

## Georgia

a. This Agreement is executed by and between the Parties, subject to applicable provisions of the laws of the state of Georgia including Ga. Code Ann. §§ 34-7-6, 34-8-32, and shall at all times be construed as to give maximum effect to compliance with such laws. Accordingly, RESOURCING EDGE: (i) assumes responsibility for payment of the wages of Covered Employees, and for the withholding and payment of payroll taxes; and (ii) reserves a right of direction and control over Covered Employees.

b. Client is considered to be the sole employer of Covered Employees for licensing purposes.

c. Client will cooperate with RESOURCING EDGE to provide required notice of a co-employment relationship to appropriate state licensing agencies and to Covered Employees.

d. Should RESOURCING EDGE report unemployment to the State of Georgia utilizing RESOURCING EDGE's account number, RESOURCING EDGE shall, only as may be necessary to fulfill its obligations, adhere to SUTA obligations as follows where RESOURCING EDGE has authority to: (i) negotiate with Client for such matters as time, place, type of work, working conditions, quality, and price of service; (ii) determine assignments of Covered Employees, even if the Covered Employees retain the right to refuse specific assignments; (iii) set the rate of pay of the Covered Employees, whether or not through negotiation; (iv) pay the Covered Employees from its accounts; and (v) hire and terminate Covered Employees who perform services for Client.

## Hawaii

This Agreement is executed by and between the Parties, subject to the provisions of Haw. Rev. Stat. § 373L-1 et seq., and shall at all times be construed so as to give maximum effect to its terms in compliance with such laws. Accordingly, RESOURCING EDGE shall be deemed the employer for all Covered Employees for purposes of complying with all laws relating to unemployment insurance, workers' compensation, temporary disability insurance, and prepaid health care coverage. RESOURCING EDGE shall provide written notification to each Covered Employee of this responsibility.

## Idaho

a. This Agreement is executed by and between the Parties, subject to the provisions of the Idaho Professional Employer Recognition Act, Idaho Code Ann. § 44-2401 et seq., and shall at all times be construed so as to give maximum effect to its terms in compliance with such laws.

b. Client agrees to post, in a conspicuous place at all of Client's worksites, a notice to both Covered Employees and the public at large of the general nature of the relationship between RESOURCING EDGE, Client, and Covered Employees. Idaho Code Ann. § 44-24005(1)(b).

## Illinois

a. This Agreement is executed by and between the Parties, subject to the provisions of the Illinois Employee Leasing Company Act, 215 Ill. Comp. Stat. § 113/1 et seq., and shall at all times be construed so as to give maximum effect to its terms in compliance with such Act.

b. In accordance with Illinois law, Client will provide to RESOURCING EDGE: (i) Client's unemployment insurance account number; (ii) a general description of Client's business and business locations; and (iii) a power of attorney with respect to client identity reports to the Department of Employment Security.

## Indiana

This Agreement is executed by and between the Parties, subject to the provisions of Indiana's Professional Employer Organizations Act, Ind. Code § 27-16-1-1 et seq., and shall at all times be construed so as to give maximum effect to its terms in compliance with such Act.

## Iowa

This Agreement is executed by and between the Parties, subject to applicable provisions of the laws of the state of Iowa, and shall at all times be construed as to give maximum effect to compliance with such laws.

## Kansas

a. This Agreement is executed by and between the Parties, subject to the provisions of the Kansas Professional Employer Organization Registration Act, Kan. Stat. Ann. § 44-1701 et seq., and shall at all times be construed so as to give maximum effect to its terms in compliance with such Act. Accordingly, RESOURCING EDGE (i) assumes responsibility for the payment of wages to Covered Employees and the withholding and remittance of payroll-related taxes; (ii) assumes responsibility to make payments for employee benefits for Covered Employees under the Agreement (if any); and (iii) retains a right to hire, terminate, and discipline Covered Employees only as necessary to fulfill RESOURCING EDGE's responsibilities under this Agreement and state law.

b. Client is entitled to exercise all rights and is obligated to perform all duties and responsibilities otherwise applicable to an employer in an employment relationship, including the right to hire, discipline, and terminate a Covered Employee.

c. RESOURCING EDGE is entitled to exercise only those rights and obligated to perform only those duties and responsibilities specifically required by state law or set forth in the Agreement. The rights, duties, and obligations of RESOURCING EDGE as co-employer with respect to any Covered Employee are limited to those arising under the Agreement and Kansas law during the term of the Covered Employee's co-employment with RESOURCING EDGE.

d. Client is solely responsible for the quality, adequacy, and safety of the goods or services produced or sold in Client's business.

e. Client is solely responsible for directing, supervising, training, and controlling the work of Covered Employees with respect to the business activities of Client and is solely responsible for the acts, errors, or omissions of Covered Employees with regard to those activities.

f. RESOURCING EDGE is not liable for the acts, errors, or omissions of Client or of any Covered Employee when the Covered Employee is acting under the express direction and control of Client.

g. A Covered Employee is not considered, solely as the result of being a Covered Employee, an employee of RESOURCING EDGE for purposes of general liability insurance, fidelity bonds, surety bonds, employer's liability which is not covered by workers' compensation, or other liability insurance carried by RESOURCING EDGE unless the Covered Employee is included by specific, express reference herein or in an applicable employment agreement, insurance contract or bond.

h. RESOURCING EDGE will provide, and Client will post, in a conspicuous place at the Client's worksite, a notice to Covered Employees informing them of the general nature of the co-employment relationship between RESOURCING EDGE and Client, as well as any other notices required by state law relating to unemployment compensation and minimum wages. Kan. Stat. Ann. § 44-1707(e).

## Kentucky

This Agreement is executed by and between the Parties, subject to the provisions of Ky. Rev. Stat. Ann. § 336.230 et seq. and 803 Ky. Admin. Regs. 25:230, and shall at all times be construed so as to give maximum effect to its terms in compliance with such laws and regulations.

## Louisiana

a. This Agreement is executed by and between the Parties subject to the laws and regulations of the state of Louisiana, including La. Rev. Stat. Ann. §§ 22:1741-1751, 23:1761-1769, and shall at all times be construed so as to give maximum effect to its terms in compliance with such laws and regulations. Accordingly, RESOURCING EDGE: (i) assumes responsibility for the payment of wages to Covered Employees and the withholding and remittance of payroll-related taxes; and (ii) retains a right to hire, terminate, and discipline Covered Employees.

b. Client retains control over its business enterprise and exercises direction and control of Covered Employees as to the manner and method of work done in furtherance of Client's business.

## Maine

a. This Agreement is executed by and between the Parties subject to the provisions of Maine's Employee Leasing Companies Act, Me. Rev. Stat. Ann. tit. 32, § 14051 et seq., and shall at all times be construed so as to give maximum effect to its terms in compliance with such Act.

b. In accordance with the Maine Retirement Savings Program, 2021 Me. Laws 356 and forthcoming regulations, Client acknowledges that, to the extent it is a "covered employer," it must facilitate Covered Employee participation in the program through automatic enrollment with an opportunity to opt out.

## Maryland

This Agreement is executed by and between the Parties, subject to the applicable provisions of the laws of the state of Maryland, including Md. Code Regs. 09.32.01.26, and shall at all times be construed so as to give maximum effect to compliance with such laws.

## Massachusetts

This Agreement is executed by and between the Parties, subject to the laws and regulations of the state of Massachusetts, including Mass. General Law c. 149, §§ 192-203 and 454 Mass. Code Regs. 30.00 et seq., and shall at all times be construed so as to give maximum effect to its terms in compliance with such laws and regulations.

## Michigan

a. This Agreement is executed by and between the Parties, subject to the provisions of the Michigan Professional Employer Organization Regulatory Act, Mich. Comp. Laws § 338.3721 et seq., and Mich. Admin. Code r. 421.190, and shall at all times be construed so as to give maximum effect to its terms in compliance with such Act.

b. Furthermore, RESOURCING EDGE and Client agree to comply with the Michigan Worker's Disability Compensation Act of 1969, 1969 Mich. Pub. Acts 317 (codified as amended at Mich. Comp. Laws § 418.101 et seq.).

c. Client further acknowledges that Covered Employees are not involved in the mortgage brokering, lending, or servicing business.

## Minnesota

This Agreement is executed by and between the Parties, subject to the provisions of Minn. Stat. § 79.255, and shall at all times be construed as to give maximum effect to its terms in compliance with Minnesota law.

## Mississippi

This Agreement is executed by and between the Parties, subject to the applicable provision of the laws of the state of Mississippi, and shall at all times be construed so as to give maximum effect to compliance with such laws.

## Missouri

This Agreement is executed by and between the Parties, subject to Missouri's Professional Employer Registration Act, Mo. Rev. Stat. § 285.700 et seq., and shall at all times be construed so as to give maximum effect to its terms in compliance with such law.

## Montana

a. This Agreement is executed by and between the Parties, subject to the Montana Professional Employer Organizations and Groups Licensing Act, Mont. Code Ann. § 39-8-101 et seq., and shall at all times be construed as to give maximum effect to compliance with such laws.

b. With respect to a worker supplied to Client by RESOURCING EDGE, Client shares joint and several liability for any wages, workers' compensation premiums, and payroll-related taxes as well as for any benefits left unpaid by RESOURCING EDGE. In the event that RESOURCING EDGE's license is suspended or revoked, this liability is retroactive to Client's entering into this Agreement with Client. See Mont. Code Ann. § 39-8-207(1).

c. Client is responsible for compliance with the Montana Safety Culture Act, Mont. Code Ann. § 39-71-1501 et seq.

## Nebraska

a. This Agreement is executed by and between the Parties, subject to the provisions of Nebraska's Professional Employer Organization Registration Act, Neb. Rev. Stat. § 48-2701 et seq., and shall at all times be construed so as to give maximum effect to its terms in compliance with such Act.

b. If Client elects workers' compensation coverage for Covered Employees secured by RESOURCING EDGE, Client shall not be relieved of its obligation under Nebraska's Workers' Compensation Act to provide coverage in the event that RESOURCING EDGE fails to obtain workers' compensation insurance for which it has assumed responsibility. Neb. Rev. Stat. § 48-2706(3)(d).

c. RESOURCING EDGE will provide, and Client shall post in a conspicuous place at Client's worksite(s), a notice of the general nature of the co-employment relationship between and among RESOURCING EDGE, Client, and Covered Employees as well as any notice required by the state relating to unemployment compensation and the minimum wage. Neb. Rev. Stat. § 48-2706(4).

## Nevada

a. This Agreement is executed by and between the Parties, subject to the provisions of Nev. Rev. Stat. §§ 611.400 to .490, 616B.692, and shall at all times be construed so as to give maximum effect to its terms in compliance with such laws.

b. If workers' compensation coverage is secured by RESOURCING EDGE, the policy will only cover those employees acknowledged in writing by RESOURCING EDGE to be employees of RESOURCING EDGE who are being leased to the Client.

c. Client acknowledges that the insurer from whom RESOURCING EDGE obtains the policy of workers' compensation insurance has the right to inspect the premises and records of Client.

d. If Client elects to secure its own workers' compensation insurance, it remains Client's sole responsibility to provide workers' compensation coverage for all employees, including, without limitation, Covered Employees. If Client elects workers' compensation insurance secured by RESOURCING EDGE: (i) coverage does not take effect until the effective date designated by the insurance carrier in the policy; (ii) RESOURCING EDGE, while the policy is in force, will pay all premiums required by the policy, including, without limitation, any adjustments and assessments, and will be entitled to any refunds or premiums; (iii) Client's loss experience will continue to be reported

in Client's name to the Nevada Commissioner of Insurance and will be available to subsequent insurers upon request; (iv) Client is responsible at all times for providing coverage for workers' compensation for any employees who are not Covered Employees under this Agreement; and (v) Client must provide satisfactory evidence of the coverage required by the preceding subparagraph to the insurance carrier from whom the policy of workers' compensation insurance is obtained by RESOURCING EDGE. Nev. Rev. Stat. § 616B.692(5).

e. Client will cooperate with RESOURCING EDGE to provide notice to the Covered Employees of the nature of the relationship between Covered Employees and RESOURCING EDGE.

f. Except as provided by this Agreement and by state law, all services provided under this Agreement by RESOURCING EDGE will cease immediately on the effective date of any termination under this Agreement.

#### **New Hampshire**

This Agreement is executed by and between the Parties, subject to the applicable provisions of N.H. Rev. Stat. Ann. § 277-B et seq. and N.H. Admin R. Ann. Lab. 1501.01 et seq., and shall at all times be construed as to give maximum effect to compliance with such laws and regulations.

#### **New Jersey**

a. This Agreement is executed by and between the Parties, subject to the provisions of New Jersey's Employee Leasing Act, N.J. Stat. Ann. § 34:8-67 et seq., and shall at all times be construed so as to give maximum effect to its terms in compliance with such Act. Accordingly, RESOURCING EDGE: (i) reserves a right of direction and control over each Covered Employee; (ii) assumes responsibility for the payment of wages to each Covered Employee without regard to payments by Client to RESOURCING EDGE (except that this subsection does not affect Client's obligations with respect to the payment of wages to Covered Employees; (iii) assumes responsibility for the payment of payroll taxes and collection of taxes from payroll on each Covered Employee; (iv) retains authority to hire, terminate, discipline, and reassign each Covered Employee; however, no Covered Employee shall be reassigned to another RESOURCING EDGE client company without that Covered Employee's consent and Client has the right to accept or cancel the assignment of any Covered Employee; (v) will provide written notice of the relationship between the RESOURCING EDGE and Client to each Covered Employee; (vi) except in relation to newly established business entities, RESOURCING EDGE will hire its initial employee complement from among employees of Client at the time of execution of this Agreement at comparable terms and conditions of employment as are in existence at Client at the time of execution of this Agreement and as designated by Client; and (vii) will provide workers' compensation insurance for Covered Employees.

b. The right of direction and control over management of safety, risk and hazard control of the work site including responsibility for performing safety inspections of Client equipment and premises, responsibility for promulgation and administration of employment and safety policies, and responsibility for the management of workers compensation claims and filings shall be allocated to Client.

c. Throughout the term of this Agreement Covered Employees are considered employees of both RESOURCING EDGE and Client. Upon the termination of this Agreement, Covered Employees will be considered employees of Client.

d. Client will continue to honor and abide by the terms of any applicable collective bargaining agreement(s), and upon expiration thereof, any obligations of Client to bargain in good faith in connection with such collective bargaining agreements is not affected in any manner by the Agreement.

e. Client is solely responsible for: (i) the quality, adequacy or safety of the goods or services produced or sold by Client; (ii) directing, supervising, training and controlling the work of Covered Employees with respect to the business activities of Client; and (iii) the acts, errors or omissions of Covered Employees with regard to those activities.

f. RESOURCING EDGE is not liable for the acts, errors, or omissions of Client or of any Covered Employee when the Covered Employee is acting under the express direction and control of Client.

g. A Covered Employee is not considered, solely as the result of being a Covered Employee, an employee of RESOURCING EDGE for purposes of general liability insurance, fidelity bonds, surety bonds, employer's liability, which is not covered by workers' compensation, or other liability insurance carried by RESOURCING EDGE.

h. If Client and RESOURCING EDGE agree, in writing, that Client will assume responsibility for providing workers' compensation insurance for Covered Employees, Client will cooperate with RESOURCING EDGE in providing documents and information needed for RESOURCING EDGE to provide the required notice of such election and proof of coverage to the New Jersey Department of Labor and Workforce Development. Additionally, Client shall provide a copy of the written agreement to the carrier that issued the policy. See N.J. Stat. Ann. § 34:8-68(2)(a)(8).

i. Calculation of Unemployment Benefit Experience. With respect to Covered Employees employed in the State of New Jersey, RESOURCING EDGE shall calculate the unemployment benefit experience contribution rates and temporary disability contribution rates with respect to such Covered Employees upon the inception and termination of this Agreement in accordance with N.J. Stat. Ann. § 34:8-74 under the following method:

1. Upon the Effective Date of this Agreement, RESOURCING EDGE shall report wages and pay contributions for Covered Employees who work in the State of New Jersey ("PEO NJ Covered Employees") pursuant to the "Unemployment Compensation Law," N.J. Stat. Ann. § 43:21-1 et seq., based on the benefit experience assigned to RESOURCING EDGE under N.J. Stat. Ann. § 43:21-7. With respect to any employee of Client working in the State of New Jersey who is not co-employed by RESOURCING EDGE ("Client NJ Employee"), Client shall continue to report wages and pay contributions for such Client NJ Employees using Client's contribution rate based on the benefit experience assigned to Client under N.J. Stat. Ann. § 43:21-7.

2. Upon termination of this Agreement by Client or RESOURCING EDGE ("Termination") and, if PEO NJ Covered Employees were co-employed for less than two (2) full calendar years, RESOURCING EDGE shall provide to the New Jersey Department of Labor ("NJDL") the data required by NJDL to calculate the benefit experience associated with PEO NJ Covered Employees to the extent required under New Jersey law. NJDL shall combine that benefit experience with Client's existing benefit experience to determine Client's new rate as of the ensuing July 1st. Client shall continue to use RESOURCING EDGE's contribution rate for the period beginning on the date of the termination of this Agreement and ending the ensuing July 1st; provided, however, Client must use its own contribution rate for the period beginning on the date of the termination of this Agreement and ending the ensuing July 1st if RESOURCING EDGE did not co-employ all employees of Client.

3. Upon a Termination which occurs after PEO NJ Covered Employees were co-employed for at least two (2) full calendar years, Client shall be assigned the rate of a new employer under N.J. Stat. Ann. § 43:27-7 until Client is eligible for a rate based on benefit experience under this section of the "Unemployment Compensation Law" or enters into another professional employer organization agreement; provided, however, that if RESOURCING EDGE did not co-employ all employees of Client, the benefit experience associated with employees co-employed by RESOURCING EDGE shall not be transferred to Client and shall not be used in the calculation of Client's future contribution rates.

4. If Client enters into a subsequent professional employer

organization agreement with another professional employer organization with respect to PEO NJ Covered Employees immediately after a Termination, the payroll relative to Client shall be reported and paid at the rate assigned the successive professional employer organization.

j. Calculation of Temporary Disability Contribution Rates. For as long as RESOURCING EDGE maintains an approved private plan of disability benefits under the “Temporary Disability Benefits Law,” Client and RESOURCING EDGE are exempt from the requirement to contribute to the New Jersey State Disability Benefits Fund pursuant to N.J. Stat. Ann. § 43:21-7 with respect to wages paid to the PEO NJ Covered Employees. Client shall instead be required to pay the premium amount established by RESOURCING EDGE and its insurance carrier. Upon a Termination, RESOURCING EDGE shall provide to the NJDOL the data required thereby to calculate the temporary disability rates of the PEO NJ Covered Employees to the extent required by applicable law. Client remains obligated to contribute to the New Jersey State Disability Fund pursuant to N.J. Stat. Ann. § 43:21-7 with respect to wages paid to any Client NJ Employees unless Client is subject to an exemption in accordance with applicable law.

k. Client hereby acknowledges receipt of the information set forth in subsections (i) and (j) hereinabove as required by N.J. Stat. Ann. § 34:8-74.

#### **New Mexico**

This Agreement is executed by and between the Parties, subject to the provisions of New Mexico’s Employee Leasing Act, N.M. Stat. Ann. § 60-13A-1 et seq., and shall at all times be construed so as to give maximum effect to its terms in compliance with such Act.

#### **New York**

a. This Agreement is executed by and between the Parties, subject to the provisions of the New York Professional Employer Act, N.Y. Lab. Law § 915 et seq., and shall at all times be construed so as to give maximum effect to its terms in compliance with such Act. Accordingly, RESOURCING EDGE: (i) reserves a right of direction and control over Covered Employees, and Client maintains such direction and control over Covered Employees as is necessary to conduct the Client’s business and without which the Client would be unable to conduct its business, discharge any fiduciary responsibility which it may have, or comply with any applicable licensure, regulatory, or statutory requirement of the Client; (ii) assumes responsibility for the withholding and remittance of payroll-related taxes and employee benefits for Covered Employees for which RESOURCING EDGE has contractually assumed responsibility from its own accounts, during the term of the Agreement; (iii) retains authority to hire, terminate and discipline Covered Employees, to the extent necessary to fulfill RESOURCING EDGE’s obligations under state law; and (iv) will be considered an employer for the purposes of withholding state income taxes for Covered Employees.

b. Client maintains such direction and control over Covered Employees as is necessary to conduct the Client’s business and without which Client would be unable to conduct its business, discharge any fiduciary responsibility which it may have, or comply with any applicable licensure, regulatory, or statutory requirement of Client.

c. Client represents and warrants that all or a majority of Client’s employees providing services for Client are covered by the Agreement. Client shall notify RESOURCING EDGE within ten (10) days of any changes that result in a failure to meet this requirement. RESOURCING EDGE agrees to co-employ all or a majority of Client’s employees who provide services for Client in New York.

d. Client is solely responsible for compliance with the requirements of N.Y. Lab. Law § 195.1. Accordingly, Client shall ensure all Covered Employees provide written acknowledgement of receipt of the “Notice and Acknowledgement of Pay Rate and Payday Under Section 195.1 of the New York State Labor Laws,” as required by applicable law, including the utilization of a template prepared by the Commissioner of the New York State Department of Labor and shall maintain records of such acknowledgements.

Additionally, the obligation of Client to comply with N.Y. Lab. Law § 195.1 shall include providing the following required information with regard to all Covered Employees, which shall be supplied to each Covered Employee in English and, if applicable, the language identified by each Covered Employee as the primary language of such individual:

1. The rate of pay and basis thereof, including whether the Covered Employee is paid by the hour, shift, day, week, salary, piece, commission, or otherwise;

2. For all Covered Employees who are not exempt from overtime compensation, the regular hourly rate of pay and overtime rate of pay shall be set forth;

3. Any allowances, if any, claimed as part of the minimum wage, including tip, meal, or lodging allowances;

4. The regular payday designated by Client;

5. The name of Client, including any “doing business as” names used by Client;

6. The name of RESOURCING EDGE, including any “doing business as” names used by RESOURCING EDGE;

7. The telephone number and physical address(es) of Client’s main office and, if different, principal place of business as well as Client’s mailing address if the mailing address differs from the preceding;

8. The telephone number and physical address of RESOURCING EDGE’s main office and principal place of business as well as RESOURCING EDGE’s mailing address if the mailing address differs from the preceding;

9. Each time Client provides the notices set forth in subsections (d)(1)-(8) hereinabove to a Covered Employee, Client shall obtain from the Covered Employee a signed and dated written acknowledgement of receipt of such notice, in English and, if applicable, in the primary language of the Covered Employee. Client shall preserve and maintain all such information in accordance with New York law, and Client shall preserve all required notices and acknowledgements for six (6) years. Client shall immediately supply a copy of each notice and acknowledgement to RESOURCING EDGE. Such acknowledgement shall include an affirmation by each Covered Employee that the Covered Employee accurately identified his or her primary language to Client and that the notice provided by Client to such Covered Employee was in the language so identified.

e. At least three (3) calendar days prior to RESOURCING EDGE’s preparation of payroll for Covered Employees, Client shall supply to Covered Employees a statement, broken down on a weekly basis, that includes the following: (i) the dates of work for the pay period; (ii) the name of the Covered Employee; (iii) the name of Client; (iv) the address and phone number of Client; (v) the rate(s) of pay, and basis thereof, *i.e.*, whether the Covered Employee is paid by the hour, shift, day, week, salary, piece, commission, or otherwise; and (vi) the gross wages, deductions, and allowances, if any, that are claimed as part of the minimum wage and net wages. For all Covered Employees who are not exempt from overtime compensation, the statement shall include the regular hourly rate(s) of pay, the overtime rate(s) of pay, as well as the number of regular hours worked each workweek, and the number of overtime hours worked each workweek. For any Covered Employee paid on a piece rate basis, the information supplied to Covered Employees shall include the applicable piece rate(s) of pay and number of pieces completed at each piece rate. In addition, should any Covered Employee, at any time request an explanation of how his or her wages were computed, Client shall furnish the Covered Employee with an explanation in writing of how such wages were computed.

f. Client shall notify all Covered Employees, in writing, of any change(s) to the information set forth in subsection (d) and (e), at least seven (7) calendar days prior to the time of such change(s). Additionally, notification of such change(s) shall be supplied by Client, in writing, to RESOURCING EDGE

at least twenty-one (21) calendar days prior to the implementation of such change(s).

g. Client shall notify Covered Employees, either in writing or by publicly posting, of Client's policies regarding sick leave, vacation leave, personal leave, holidays, and hours.

#### **North Carolina**

a. This Agreement is executed by and between the Parties, subject to the provisions of the North Carolina Professional Employer Organizations Act, N.C. Gen. Stat. § 58-89A-1 et seq., and shall at all times be construed so as to give maximum effect to its terms in compliance with such Act. Accordingly, RESOURCING EDGE: (i) reserves a right of direction and control over Covered Employees; (ii) assumes responsibility for the payment of wages to Covered Employees and for the collection and remittance of payroll taxes of Covered Employees; (iii) retains authority to hire, terminate, and discipline Covered Employees; and (iv) retains a right of direction or control over the adoption of employment policies and the management of workers' compensation claims, claim filings, and related procedures in accordance with applicable federal and state laws.

b. Client retains sufficient direction and control over Covered Employees as necessary to conduct its business and without which Client would be unable to conduct its business, discharge its fiduciary responsibilities, or comply with any applicable licensure, regulatory, or statutory requirement it may have.

c. Any employment responsibilities not specifically allocated to RESOURCING EDGE under state law or under this Agreement will remain with Client.

d. Upon termination of this Agreement, RESOURCING EDGE will provide to Client, if requested, records regarding the loss experience related to any workers' compensation insurance provided to Covered Employees. N.C. Gen. Stat. § 58-89A-100(6).

e. If Client has any worksites in North Carolina covered by this Agreement, Client represents and warrants that it does not owe its current or prior workers' compensation carrier any premium for workers' compensation insurance, nor does Client owe its current or prior professional employer organization ("PEO") any amounts due under any PEO agreement, except for premiums or amounts due that are subject to dispute. N.C. Gen. Stat. § 58-89A-110(i). Client further certifies that Client has met any and all prior premium or fee obligations. Client has read the foregoing and by signing herein swears that the facts stated in the foregoing sentence are true.

f. Client will cooperate with RESOURCING EDGE to provide notice to the Covered Employees of the nature of the relationship between Covered Employees and RESOURCING EDGE.

#### **North Dakota**

This Agreement is executed by and between the Parties, subject to the provisions of N.D. Cent. Code § 43-55-01 et seq., and shall at all times be construed so as to give maximum effect to its terms in compliance with such laws. RESOURCING EDGE and Client both assume their respective responsibilities as required by such laws.

#### **Ohio**

a. This Agreement is executed by and between the Parties, subject to the provisions of Ohio Rev. Code Ann. § 4125.01 et seq. and Ohio Admin. Code 4123-17-15 et seq., and shall at all times be construed so as to give maximum effect to its terms in compliance with such laws and regulations.

b. Client will establish and maintain a separate active workers' compensation account with the Ohio Bureau of Workers' Compensation, as required by state law.

c. Client will cooperate with RESOURCING EDGE with respect to RESOURCING EDGE's duty under Ohio law to: (i) maintain a record of workers' compensation claims for Client; and (ii) maintain records that separately list the manual classifications of Client and the payroll reported to each manual classification for each payroll reporting period while this Agreement remains in effect.

d. To the extent required under Ohio law, the initial term of the Agreement is for twelve (12) months.

#### **Oklahoma**

a. This Agreement is executed by and between the Parties, subject to the provisions of the Oklahoma Professional Employer Organization Recognition and Registration Act, Okla. Stat. Ann. tit. 40, § 600.1 et seq., and shall at all times be construed so as to give maximum effect to its terms in compliance with such Act.

b. If Client elects workers' compensation insurance secured by RESOURCING EDGE, RESOURCING EDGE shall maintain and, if requested, provide to Client at the termination of the Agreement records regarding the premium and loss experience related to workers' compensation insurance provided to Covered Employees pursuant to the Agreement. Okla. Stat. Ann. tit.40, § 600.7(C)(4).

#### **Oregon**

a. This Agreement is executed by and between the Parties, subject to the provisions of Or. Rev. Stat. § 656.850 et seq., and shall at all times be construed so as to give maximum effect to its terms in compliance with such laws.

b. In accordance with the Oregon Retirement Savings Plan known as OregonSaves, Or. Rev. Stat. § 178.200 et seq., Client agrees to sponsor a qualified retirement plan for Covered Employees or automatically enroll Covered Employees in OregonSaves. Client shall also provide Covered Employees the ability to opt out of participating in OregonSaves.

c. Client acknowledges that it retains all responsibility for compliance under Or. Admin. R. 170-080-0025(2).

#### **Pennsylvania**

This Agreement is executed by and between the Parties, subject to the provisions of Pennsylvania's Professional Employer Organization Act, 43 Pa. Stat. Ann. § 933.101 et seq., and shall at all times be construed so as to give maximum effect to its terms in compliance with such Act. RESOURCING EDGE and Client both assume the responsibilities required by such Act.

#### **Rhode Island**

This Agreement is executed by and between the Parties, subject to the provisions of Rhode Island's Professional Employer Organizations Act of 2004, R.I. Gen. Laws § 5-75-1 et seq., and shall at all times be construed so as to give maximum effect to its terms in compliance with such Act. RESOURCING EDGE and Client both assume the responsibilities required by such Act.

#### **South Carolina**

a. This Agreement is executed by and between the Parties, subject to the provisions of S.C. Code Ann. § 40-68-10 et seq., and shall at all times be construed so as to give maximum effect to its terms in compliance with such Act. Accordingly, RESOURCING EDGE: (i) reserves a right of direction and control over Covered Employees; (ii) retains a right to hire, discipline, terminate, and reassign Covered Employees as may be necessary to fulfill RESOURCING EDGE's responsibilities under state law and the Agreement; (iii)

assumes the responsibility for payment of wages to Covered Employees, regardless of payments by the Client to RESOURCING EDGE; (iv) assumes responsibility for the payment of payroll taxes and collection of taxes from payroll on Covered Employees; and (v) retains a right of direction or control over the adoption of employment policies and the management of workers' compensation claims, claim filings, and related procedures on joint agreement by Client and RESOURCING EDGE in accordance with applicable federal and state laws.

b. RESOURCING EDGE and Client agree: (i) notice to or acknowledgment of the occurrence of an injury on the party of Client is notice to or knowledge on the part of RESOURCING EDGE and its workers' compensation insurer; (ii) for the purposes of state law, the jurisdiction of Client is the jurisdiction of RESOURCING EDGE and its workers' compensation insurer; (iii) RESOURCING EDGE and its workers' compensation insurer are bound by and subject to the awards, judgments, or decrees rendered against them under state law; and (iv) insolvency, bankruptcy, or discharge in bankruptcy of either RESOURCING EDGE or Client does not relieve RESOURCING EDGE, Client, and their respective workers' compensation insurer(s) from payment of compensation for disability or death sustained by a Covered Employee during the life of a workers' compensation insurance policy pursuant to this Agreement. S.C. Code Ann. § 40-68-70(A)(6).

c. Client shall post in each of its South Carolina locations, in a conspicuous place that is in clear and unobstructed view of Covered Employees, a notice that states: "We are operating under and subject to the Workers' Compensation Act of South Carolina. In case of accidental injury or death to an employee, the injured employee, or someone acting on his or her behalf, shall notify immediately RESOURCING EDGE, 1309 Ridge Road, Suite 200, Rockwall, Texas 75087, or [Insert Client's name, address, and telephone number], or call one of the following phone numbers: 800.781.7517 or 888.476.2669. 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."

d. Client will secure and maintain workers' compensation insurance for any employees that are not Covered Employees under this Agreement.

e. Client will comply with the co-employee notice posting requirements under South Carolina law.

f. Client acknowledges that it is in a co-employment relationship with RESOURCING EDGE, which is licensed and regulated by the South Carolina Department of Consumer Affairs and any questions or complaints regarding RESOURCING EDGE should be directed to the South Carolina Department of Consumer Affairs, PO Box 5757, Columbia, SC 29250, [www.consumer.sc.gov](http://www.consumer.sc.gov), (803) 734-4200.

#### **South Dakota**

This Agreement is executed by and between the Parties, subject to provisions of S.D. Codified Laws § 10-45-97 and S.D. Admin. R. § 64:06:02:89 et seq., and shall at all times be construed so as to give maximum effect to its terms in compliance with such laws and regulations.

#### **Tennessee**

a. This Agreement is executed by and between the Parties, subject to the provisions of the Tennessee Professional Employer Organization Act, Tenn. Code Ann. § 62-43-101 et seq., and shall at all times be construed so as to give maximum effect to its terms in compliance with such Act. Accordingly, RESOURCING EDGE: (i) reserves a right of direction and control over Covered Employees; (ii) retains a right to hire, discipline, and terminate Covered Employees as may be necessary to fulfill RESOURCING EDGE's responsibilities under state law and the Agreement; (iii) assumes responsibility to pay wages to Covered Employees, to collect and pay payroll taxes on such wages, and to pay employee benefits under the Agreement (if any), regardless of payments by the Client to RESOURCING EDGE; and (iv) retains a right of direction or control over the adoption of employment policies and the management of workers' compensation claims, claim filings, and related procedures on joint

agreement by Client and RESOURCING EDGE in accordance with applicable federal and state laws.

b. Client retains sufficient direction and control over Covered 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 a Covered Employee. Client is entitled to exercise all rights and is obligated to perform all duties and responsibilities otherwise applicable to an employer in an employment relationship, including the right to hire, discipline, and terminate a Covered Employee.

c. RESOURCING EDGE is entitled to exercise only those rights and obligated to perform only those duties and responsibilities specifically required by state law or set forth in the Agreement. The rights, duties, and obligations of RESOURCING EDGE as a co-employer with respect to any Covered Employee are limited to those arising under the Agreement and state law during the term of the Covered Employee's co-employment with RESOURCING EDGE.

d. Client is solely responsible for the quality, adequacy, and safety of the goods or services produced or sold in Client's business.

e. Client is solely responsible for directing, supervising, training, and controlling the work of Covered Employees with respect to the business activities of Client and is solely responsible for the acts, errors, or omissions of Covered Employees with regard to those activities.

f. RESOURCING EDGE is not liable for the acts, errors, or omissions of Client or of any Covered Employee when a Covered Employee is acting under the express direction and control of Client.

g. A Covered Employee is not considered, solely as the result of being a Covered Employee, an employee of RESOURCING EDGE for purposes of general liability insurance, fidelity bonds, surety bonds, employer's liability, which is not covered by workers' compensation, or other liability insurance carried by RESOURCING EDGE unless the Covered Employee is included by specific, express reference herein or in an applicable employment agreement, insurance contract or bond.

#### **Texas**

a. This Agreement is executed by and between the Parties, subject to the provisions of Tex. Lab. Code Ann. § 91.001 et seq. and 16 Tex. Admin. Code § 72.1 et seq., and shall at all times be construed so as to give maximum effect to its terms in compliance with such laws and regulations. Accordingly, RESOURCING EDGE: (i) shares with Client the right of direction and control over Covered Employees; (ii) assumes responsibility for the payment of wages to Covered Employees without regard to payments by Client to RESOURCING EDGE; (iii) assumes responsibility for the payment of payroll taxes and collection of taxes from payroll on Covered Employees; (iv) shares, with Client the right to hire, fire, discipline, and reassign Covered Employees; and (v) shares with Client 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.

b. Client retains responsibility for: (i) the direction and control of Covered Employees as necessary to conduct Client's business, discharge any applicable fiduciary duty, or comply with any licensure, regulatory, or statutory requirement; (ii) all goods and services produced by Client, including those produced or provided by Covered Employees; and (iii) the acts, errors, and omissions of Covered Employees.

c. Client is solely obligated to pay any wages for which: (i) the obligation to pay is created by an agreement, contract, plan, or policy between Client and the Covered Employee; and (ii) RESOURCING EDGE has not contracted to pay. Without limiting Client's obligation to comply with laws and regulations in Section 11 hereinabove, Client agrees to comply with the Texas Payday Law, Tex. Lab. Code Ann. § 61.001 et seq., including, without limitation, the payment of pay for vacations, holidays, sick leave, parental leave, severance, bonuses or commissions owed to any employee under the terms

of an agreement between the employee and Client or under a policy of Client.

d. Any unresolved complaints concerning RESOURCING EDGE or questions concerning the regulation of PEOs may be addressed to the Texas Department of Licensing and Regulation, P.O. Box 12157, Austin, Texas 78711, Telephone: (512) 463-6599.

e. If Client has been in business one (1) year or more (or less than one (1) year due to a change in legal entity, merger, or corporate reorganization), Client warrants and represents that all of the following are true: (i) at least 75% of the persons who will become Covered Employees were previously employees of Client (or in a shared employment relationship with Client and a licensed professional employer organization) for a period of at least three (3) months immediately prior to the commencement of the Agreement; (ii) none of the persons who will become Covered Employees were direct employees of RESOURCING EDGE or were/are employees of a company that provides taxable services to Client; and (iii) upon the Effective Date of the Agreement, a shared employment relationship will exist between Client and RESOURCING EDGE as to the Covered Employees. If Client has been in business less than one (1) year, Client warrants and represents that all of the following are true: (a) none of the persons who will become Covered Employees were direct employees of RESOURCING EDGE or were/are employees of a company that provides taxable services to Client; and (b) upon the Effective Date of the Agreement, a shared employment relationship will exist between Client and RESOURCING EDGE as to the Covered Employees. RESOURCING EDGE represents that: (x) none of the Covered Employees were previously employees of RESOURCING EDGE, except for a possible shared employment relationship with a different client of RESOURCING EDGE; and (y) upon the Effective Date of the Agreement, a shared employment relationship will exist between Client and RESOURCING EDGE as to the Covered Employees.

f. Client and RESOURCING EDGE each certify: (i) the Agreement and this Addendum meet the requirements and conditions set forth in 34 Tex. Admin. Code, Pt. 1, Ch. 3, Subchapter O, Rule § 3.364; and (ii) both RESOURCING EDGE and Client will retain a copy of this certification in their respective files.

g. If Client elects to not obtain workers' compensation coverage, it must notify affected employees and the Texas Department of Insurance, Workers' Compensation Division, by submitting Form DWC005, Employer Notice of No Coverage or Termination of Coverage.

h. Client agrees that if an independent contractor does not provide evidence of workers' compensation coverage, Client will require the independent contractor to enter an agreement assuming responsibility as an independent contractor in accordance with the Texas Labor Code.

i. Client will cooperate with RESOURCING EDGE to give written notice to each Covered Employee of the general nature of the relationship between RESOURCING EDGE and Client.

#### **Utah**

This Agreement is executed by and between the Parties, subject to the provisions of Utah's Professional Employer Organization Licensing Act, Utah Code Ann. § 31A-40-101 et seq. and shall at all times be construed so as to give maximum effect to its terms in compliance with such Act.

#### **Vermont**

This Agreement is executed by and between the Parties, subject to Vt. Stat. Ann. tit. 21, § 1031 et seq. and 24-010-007 Vt. Code R. § 1 et seq., and shall at all times be construed so as to give maximum effect to its terms in compliance with such laws and regulations.

#### **Virginia**

a. This Agreement is executed by and between the Parties, subject to the provisions of Va. Code Ann. §§ 65.2-801, -803.1 and 16 Va. Admin. Code § 30-100-10 et seq., and shall at all times be construed so as to give maximum effect to its terms in compliance with such laws and regulations.

b. In the event that RESOURCING EDGE elects to terminate this Agreement, Client will cooperate with RESOURCING EDGE to provide written notification of such intent to terminate to each Covered Employee, as required by state law.

c. Client will cooperate with RESOURCING EDGE to give written notice to each Covered Employee regarding the general nature of the relationship between RESOURCING EDGE, Client, and Covered Employees, including information concerning how to file for workers' compensation and unemployment benefits.

d. Client retains responsibility to comply with the insuring requirement of Va. Code Ann. § 65.2-801 with respect to any employees of Client who are not Covered Employees.

#### **Washington**

This Agreement is executed by and between the Parties, subject to applicable provisions of the Revised Code of Washington and Wash. Admin. Code § 192-300-010 et seq., and shall at all times be construed so as to give maximum effect to its terms in compliance with such laws and regulations.

#### **West Virginia**

This Agreement is executed by and between the Parties, subject to the provisions of W. Va. Code. § 33-46A-1 et seq. and W. Va. Code R. § 114-85-1 et seq., and shall at all times be construed so as to give maximum effect to its terms in compliance with such laws and regulations.

#### **Wisconsin**

This Agreement is executed by and between the Parties, subject to the provisions of the Wisconsin Professional Employer Organizations Act, Wis. Stat. § 202.21 et seq. and Wis. Stat. §§ 108.02(21e), 108.067, and shall at all times be construed so as to give maximum effect to its terms in compliance with such laws and regulations.

#### **Wyoming**

This Agreement is executed by and between the Parties, subject to the applicable provision of the laws of the state of Wyoming, and shall at all times be construed so as to give maximum effect to compliance with such laws.

# 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 while Resourcing Edge agrees to report such remuneration for federal employment tax purposes to the federal government, 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 Covered 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 Covered Employees of Resourcing Edge.
7. Resourcing Edge will provide Client with wage information regarding Client's Covered 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.