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**CITY OF ROCKVILLE, MARYLAND**  
**Rider Agreement**

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This **RIDER AGREEMENT** (this “**Rider Agreement**”) is made this is made this \_\_ day of \_\_\_\_\_ 2025 (the “**Effective Date**”), by and between **THE MAYOR AND COUNCIL OF ROCKVILLE**, a body politic and municipal corporation of the State of Maryland, acting through its City Manager (the “**Mayor and Council**” or the “**City**” or “**Customer**”), and **KRONOS SaaSHR, INC.**, a Massachusetts Limited Liability Company (the “**Contractor**” or “**UKG**”). Individually, the Mayor and Council and the Contractor may each be referred to as the “**Party**,” or collectively as the “**Parties**.”

**RECITALS**

1. **WHEREAS**, the Mayor and Council desires to procure, through its Department of Information Technology on behalf of Human Resources (the “**IT Department**”), UKG Work Force Ready software as a service offering (“**WFR SaaS**”) to migrate from existing Workforce Central perpetual software licenses for timekeeping purposes; and
2. **WHEREAS**, in accordance with Section 17-71(b) of the Rockville City Code, the City may enter into a contract to procure the WFR SaaS from the Contractor without utilizing the City’s formal solicitation process if (i) if the Contractor has entered into a contract to provide the WFR SaaS to “other state or local governments or agencies,” (ii) the other state or local government or agency arrived at the contract terms for the WFR SaaS with the Contractor “through a competitive procurement procedure similar to the procedure used by the City,” and (iii) the City obtains the same contract terms the Contractor offered to the other state or local government or agency; and
3. **WHEREAS**, OMNIA Partners, Public Sector, Inc. f/k/a National Intergovernmental Purchasing Alliance Company, a Delaware corporation (“**OMNIA**”) offers cooperative procurement solutions to government entities and the City is an OMNIA Participating Public Agency, OMNIA Partners number 4012934; and
4. **WHEREAS**, on or about July 10, 2024 the Cobb County, Georgia Procurement Department (“**Georgia**”), acting as lead agency for OMNIA, issued Request for Proposal #24-6833 (“**Georgia RFP**”) to solicit the procurement of human resources information systems and related products, including WFR SaaS; and on August 8, 2024 the Contractor submitted a response to Georgia and OMNIA’s participating entities for human resources information systems, including WFR SaaS; and
5. **WHEREAS**, on July 14, 2025, the Cobb County, Georgia Board of Commissioners entered into a Contract with the Contractor referred to as Master Agreement No. 24-68333 (the “**Georgia/OMNIA Procurement Agreement**”), attached hereto as **Exhibit A** and incorporated by this reference, pursuant to which the Contractor agreed to provide Georgia with, among other things, the WFR SaaS; and

6. **WHEREAS**, the City of Rockville determined that Georgia’s competitive procurement procedure is similar to the competitive procurement procedure utilized by the City; and
7. **WHEREAS**, the Georgia/OMNIA Procurement Agreement includes an exhibit labeled UKG Public Sector MSA (beginning at p. 473 of the Procurement Agreement) with reference by link to additional information in the Procurement Agreement and on the website (collectively, the “User Agreement”); the City agrees to the terms of the User Agreement, subject however to the Parties’ agreement that (i) the terms and conditions of the User Agreement included in the Georgia Procurement Agreement are modified by the specific modifications identified herein and on the attached Exhibit B and incorporated by this reference; and (ii) that where the terms of this Rider Agreement vary from the terms and conditions of the Georgia/OMNIA Procurement Agreement, the terms and conditions of this Rider Agreement shall prevail; and
8. **WHEREAS**, the City of Rockville, as an eligible Participating Public Agency, shall assume the rights and obligations of the Customer (as defined in the Georgia/OMNIA Procurement Agreement) and the Contractor agrees to provide the WFR SaaS to the City on the same terms and conditions as provided in the Georgia/OMNI Procurement Agreement, subject to the terms and conditions of this Rider Agreement.

**NOW, THEREFORE, IN CONSIDERATION** of the foregoing and the covenants, warranties and agreements of the Parties hereto, as are hereinafter set forth, and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged by each Party hereto, the Parties hereby agree as follows:

## **OPERATIVE PROVISIONS**

### **ARTICLE I. CONTRACTOR PROVISION OF GOODS AND/OR WFR SAAS**

**Section 1.01. Order Form.** The Contractor shall, in accordance with the terms and conditions of this Agreement, provide to the City the subscription services that comprise the WFR SaaS specified in Quote#: Q-144308 referred to as the “**UKG Order Form**” (or “**Order Form**”) attached hereto as **Exhibit C**, and incorporated by this reference. The parties agree the City is migrating from its existing UKG Kronos Workforce Central Perpetual software license, (the “**Existing Applications**”) to the UKG Ready software as a service offering (WFR SaaS), and Customer’s software support for the Existing Applications shall continue, for up to two payroll cycles within 60 days after migration to WFR SaaS, but in no event beyond December 31, 2025 and shall terminate thereafter..

**Section 1.02. Intentionally Omitted.**

**Section 1.03. Contract Administrator.** The IT Department is the “**Contract Administrator**” for this Rider Agreement. The Contractor shall provide the Scope of Work to the City under the direction of the following designated representative of the Contract Administrator:

Donnie Johnson, IT Business Manager  
111 Maryland Avenue, Rockville, MD 20850  
(240) 314-8161  
djohnson@rockvillemd.gov

The Contractor shall refer any decisions which must be made by the City to the Contract Administrator. The City Manager or authorized designee may modify the forgoing Contract Administrator by notifying the Contractor of such modification in writing.

**Section 1.04. Requirement to Proceed.** Upon execution of this Rider Agreement Contractor will provide the Customer with access to WFR SaaS.

## **ARTICLE II. CONTRACT TERM AND PERFORMANCE SCHEDULE**

**Section 2.01. Contract Term.** The duration of this Rider Agreement shall be from the Effective Date through July 14, 2029, to align with the term of the Georgia/ OMNIA Procurement Agreement (the “**Initial Contract Term**”), unless earlier terminated in accordance with Article IX below. Georgia at its sole discretion may exercise an option to renew three (3) times for one (1) year each. Per the Georgia/OMNIA Procurement Agreement the local agreements with Participating Public Agencies accessing the contract through OMNIA Partners may contract for the full potential terms (any combination of initial and renewal periods) not to exceed seven (7) years, so long as the effective date of such agreement is prior to the expiration of the Georgia/OMNI Procurement Agreement.

If Georgia exercises its option to extend the term of the Georgia Procurement Agreement the City may extend the term of this Rider Agreement in accordance with Georgia’s extension by notifying Contractor of such extension and confirmation of pricing and length of the local agreement term in writing at least 60 days in advance and subject to Mayor and Council appropriation of adequate funds.

**Section 2.02. Intentionally Omitted..**

## **ARTICLE III. COMPENSATION AND PAYMENT**

**Section 3.01. Compensation, Required Appropriation of Funds.** In order to compensate the Contractor for its performance of the services and the provision of the WFR SaaS, the Mayor and Council agrees to pay the Contractor, subject to any limitations set forth in this Rider Agreement, the amounts specified in the “**UKG Order Form**” attached hereto as **Exhibit**

C, which total amount, including reimbursements for actual expenses, shall not exceed Ninety-Six Thousand Two Hundred Fifty-Two Dollars and zero cents (**\$96,252.00**) per year to be billed and paid in accordance with the UKG Order Form (the “**Contract Sum**”).

**Section 3.02. Manner and Method of Payment.**

(a) The City shall pay the Contractor in accordance with the terms of the Georgia/OMNIA Procurement Agreement (described at section 3 of the User Agreement attached herein at Exhibit B) and the UKG Order Form (attached herein at Exhibit C). The Contractor is not entitled to a total payment, including fees for expenses, that exceed the Contract Sum.

**Section 3.03. Invoice Disputes.** Invoice disputes are addressed at User Agreement, section 3 (attached herein as Exhibit B).

**Section 3.04. Warranties.** Warranties are addressed at User Agreement, section 6 if services do not conform (attached herein at Exhibit B).

**Section 3.05. Intentionally Omitted.**

**ARTICLE IV. COORDINATION OF WORK**

**Section 4.01. Representatives and Personnel of Contractor. Intentionally Omitted.**

**Section 4.02. Status of Contractor.** The Contractor shall have no authority to bind the officials, officers, employees or agents of the City in any manner, or to incur any obligation, debt or liability of any kind on behalf of or against the City, whether by contract or otherwise, unless such authority is expressly conferred under this Rider Agreement or is otherwise expressly conferred in writing by the City Manager. The Contractor shall not at any time or in any manner represent that the Contractor or any of the Contractor’s officers, employees, agents, or subcontractors, if any, are in any manner officials, officers, employees or agents of the City. Neither the Contractor, nor any of the Contractor’s officers, employees, agents, or subcontractors, if any, shall obtain any rights to retirement, health care or any other benefits which may otherwise accrue to the City’s employees. The Contractor expressly waives any claim the Contractor may have to any such rights.

**Section 4.03. Independent Contractor.** Neither the City, nor any of its officials, officers, employees or agents shall (i) have control over the manner, mode or means by which the Contractor, its employees, agents, or subcontractors perform the work related to the provision of the WFR SaaS, except as otherwise set forth herein; or (ii) have a voice in the selection, discharge, supervision or control of the Contractor’s employees, servants, representatives or agents, or in fixing their number, compensation or hours of service. The Contractor shall provide all WFR SaaS required herein as an independent contractor of the City and shall remain at all times as to the City a wholly independent contractor with only such obligations as are consistent with that role. The Contractor shall not at any time or in any manner represent that it or any of its agents or employees are agents or employees of the City. The City shall not in any way or for any purpose become or

be deemed to be a partner of the Contractor in its business or otherwise or a joint venturer or a member of any joint enterprise with the Contractor.

**Section 4.04. Intentionally Omitted.**

**ARTICLE V. CONTRACTOR COVENANTS AND OBLIGATIONS**

**Section 5.01. Contractor Qualifications.** Contractor agrees to maintain a trained and knowledgeable staff capable of providing support for WFR SaaS as described in User Agreement, Section 1.

**Section 5.02. Intentionally Omitted.**

**Section 5.03. Compliance With Law.** Contractor agrees to comply with Applicable Law as described in User Agreement, Section 2.5 and provide services that conform to Federal and State laws and regulations as applicable to its business and to the specifications contained in the Documentation.

**Section 5.04. Intentionally Omitted.**

**Section 5.05. Conflict of Interest.** The Contractor confirms to the best of its knowledge and belief at the time of signature, that neither it, nor any officer or principal of its firm, has or shall acquire any interest, directly or indirectly, which would conflict in any manner with the interests of the City or which would in any way hinder the Contractor's performance of work related to the provision of the WFR SaaS. The Contractor further confirms that in the provision of the WFR SaaS, no person having any such interest shall be knowingly employed by it as an officer, employee, agent or subcontractor, if any, without the express written consent of the City Manager. The Contractor agrees to at all times use reasonable efforts to avoid conflicts of interest or the appearance of any conflicts of interest with the interests of the City in the performance of this Rider Agreement. The Contractor further confirms that, in the performance of this Rider Agreement, it will not knowingly employ subcontractors or other persons or parties having such an interest. The Contractor certifies that to the best of its knowledge and belief at the time of signature, no person who has or will have any financial interest under this Rider Agreement is a member, officer or employee of the City; this provision will be interpreted in accordance with the applicable provisions of the Rockville City Code, as amended from time to time. The Contractor agrees to notify the City Manager or designee if any conflict arises.

**Section 5.06. Compliance with ADA.** The Contractor will provide the City its then-current Accessibility Conformance Report for UKG Ready and will use commercially reasonable efforts to respond promptly to the City's requests for information regarding accessibility compliance of its products. Customer remains solely responsible for all non-compliance of accessibility requirements which may result from modifications or preference setting during implementation of the SaaS solutions system configurations performed by Customer.

**ARTICLE VI. RECORDS, REPORTS, AND RELEASE OF INFORMATION**

**Section 6.01. Records.** The Contractor shall maintain, and the City and its representatives shall have the right to review all invoices associated with any Order incurred for the services under the Agreement, and similar materials relating to work performed for the City under this Agreement on file for at least three (3) years following the date of final payment to the Contractor by the City. The City shall maintain all invoices or applicable records for at least three (3) years following the date of final payment to the Contractor by the City. Any duly authorized representative(s) of the City shall have access to such invoices or applicable records upon a 30 day prior request at reasonable times, during usual and customary business hours.

**Section 6.02. Intentionally Omitted.**

**Section 6.03. Intentionally Omitted.**

**Section 6.04. Intentionally Omitted.**

**Section 6.05. Confidentiality.** Confidentiality is addressed at User Agreement, section 5, and acknowledges the Customer may be compelled to disclose Confidential Information pursuant to the Maryland Public Information Act.

## **ARTICLE VII. INSURANCE**

**Section 7.01. Insurance Requirement.**

(a) The Contractor shall be required to obtain and maintain at all times and at its own expense, during the term of the Order entered into between the City and the Contractor, the types of insurance(s) specified in **Exhibit E**, entitled “**Insurance Requirements**”.

**Section 7.02. Indemnification.** User Agreement section 8 and modifications attached herein at Exhibit B address indemnification.

**Section 7.03. Intentionally Omitted.**

**Section 7.04. Sufficiency of Insurer.** Upon request, the Contractor shall supply the City with proof of insurance upon the signing of this Agreement. All insurance companies for each of the coverages set forth above must be rated A- or better with a financial rating of VII or better in the most recent A.M. Best's Rating Guide.

## **ARTICLE VIII. CONTRACTOR REPRESENTATIONS AND WARRANTIES.**

The Parties refer to the representations regarding organization, authority to enter this Agreement, and warranties pursuant to Georgia/OMNI Procurement Agreement, and the warranties described at User Agreement, section 6 (attached herein as Exhibit B).

## ARTICLE IX. ENFORCEMENT OF AGREEMENT AND TERMINATION

**Section 9.01. Maryland Law.** This Rider Agreement shall be interpreted, construed and governed both as to validity and to performance of the Parties in accordance with the laws of the State of Maryland. Legal actions concerning any dispute, claim or matter arising out of or in relation to this Rider Agreement shall be instituted in the Circuit Court of Montgomery County, State of Maryland, and the Contractor covenants and agrees to submit to the personal jurisdiction of such court in the event of such action. In the event of litigation in a U.S. District Court, venue shall lie exclusively in the State of Maryland, Southern Division.

**Section 9.02. Intentionally Omitted.**

**Section 9.03 Non-Appropriation of Funds.** Customer is a local governmental entity. Termination for non-appropriation of funds is addressed in User Agreement, section 7.2.3.

**Section 9.04. Waiver.** Waiver by either Party to this Rider Agreement of any term, condition, or covenant of this Rider Agreement shall not constitute a waiver of any other term, condition, or covenant. Waiver by any party of any breach of the provisions of this Rider Agreement shall not constitute a waiver of any other provision or a waiver of any subsequent breach or violation of any provision of this Rider Agreement. Acceptance by the City of WFR SaaS by the Contractor shall not constitute a waiver of any of the provisions of this Rider Agreement. No delay or omission in the exercise of any right or remedy by a non-defaulting party on any default shall impair such right or remedy or be construed as a waiver. Any waiver by either Party of any default must be in writing and shall not be a waiver of any other default concerning the same or any other provision of this Rider Agreement.

**Section 9.05. Intentionally Omitted.**

**Section 9.06. Legal Action.** In addition to any other rights or remedies, either Party may take legal action, in law or in equity, to cure, correct or remedy any default, to recover damages for any default, to compel specific performance of this Rider Agreement, to obtain declaratory or injunctive relief, or to obtain any other remedy consistent with the purposes of this Rider Agreement.

**Section 9.07. Intentionally Omitted.**

**Section 9.08. Termination Prior to Expiration of Term.** This Section shall govern any termination of this Rider Agreement except as specifically provided in the Georgia/Omnia Agreement Section for termination. Twelve (12) months after the Billing Start Date, the City reserves the right to terminate this Rider Agreement at any time, with or without cause, upon ninety (90) days' written notice to the Contractor. Upon termination Customer shall pay all the launch fees invoices and outstanding Subscription Services fees for the Subscription Services performed up to the effective date of termination.

**Section 9.09. Intentionally Omitted.**

**Section 9.10. Intentionally Omitted.**

**ARTICLE X. MISCELLANEOUS PROVISIONS**

**Section 10.01. Notices, Demands, and Communications Between the Parties.** Formal notices, demands, and communications between the Contractor and the City shall be given either by (a) personal service, (b) delivery by reputable overnight document delivery service such as Federal Express that provides a receipt showing date and time of delivery, or (c) mailing utilizing a certified or mail postage prepaid service of the United States Postal Service that provides a receipt showing date and time of delivery, addressed to:

**To the City:**

Mayor and Council of Rockville  
c/o Office of the City Clerk / Director of Council  
Operations  
111 Maryland Avenue  
Rockville, Maryland 20850  
Attn: City Clerk / Director of Council Operations  
Email: [cityclerk@rockvillemd.gov](mailto:cityclerk@rockvillemd.gov)

*With copies to:*

Office of the City Manager  
111 Maryland Avenue  
Rockville, Maryland 20850  
Attn: City Manager  
Email: [cmo@rockvillemd.gov](mailto:cmo@rockvillemd.gov)

Office of the City Attorney  
111 Maryland Avenue  
Rockville, Maryland 20850  
Attn: City Attorney  
Email: [cityattorney@rockvillemd.gov](mailto:cityattorney@rockvillemd.gov)

Department of Procurement  
111 Maryland Avenue  
Rockville, Maryland 20850  
Attn: Director  
Email: [procurement@rockvillemd.gov](mailto:procurement@rockvillemd.gov)

**To the Contractor:**

EVP Chief Legal Officer  
UKG, Inc.  
900 Chelmsford Street  
Lowell, MA 01851  
[UKGLegal@ukg.com](mailto:UKGLegal@ukg.com)



Notices personally delivered shall be deemed effective upon receipt or refusal thereof. Notices given by a reputable overnight document delivery service shall be deemed effective one (1) business day after delivery by such service. Notices mailed shall be deemed effective on the fifth (5<sup>th</sup>) business day following deposit in the United States mail. Such written notices, demands, and communications shall be sent in the same manner to such other addresses as any Party may from time to time designate in writing. As used herein, “business day” means a day other than Saturday, Sunday, or a federal holiday, state holiday in the State of Maryland, or a city holiday in the City of Rockville, Maryland.

#### **Section 10.02. Incorporation of Recitals, Interpretation.**

(a) Incorporation of Recitals. The Recitals and Exhibits are an integral part of this Rider Agreement and set forth the intentions of the Parties and the premises on which the Parties have decided to enter into this Rider Agreement. Accordingly, the Recitals above and Exhibits attached are fully incorporated into this Rider Agreement by this reference as if fully set forth and state the obligations as if the parties to the Georgia/ OMNI Procurement Agreement were identical to the parties of this Rider Agreement.

(b) Interpretation. The terms of this Rider Agreement shall be construed in accordance with the meaning of the language used and shall not be construed for or against any Party by reason of the authorship of this Rider Agreement or any other rule of construction which might otherwise apply. The Section headings are for purposes of convenience only and shall not be construed to limit or extend the meaning of this Rider Agreement. In the event of any conflict or inconsistency between the provisions of this Rider Agreement and provisions of the Georgia/OMNI Procurement Agreement, the provisions of this Rider Agreement will prevail and govern the interpretation thereof.

**Section 10.03. Non-Liability of Officials, Employees and Agents.** No member, official, employee or agent of the Mayor and Council shall be personally liable to the Contractor in the event of any default or breach by the Mayor and Council or for any amount which may become due to the Contractor or its successors or assigns or on any obligation under the terms of this Rider Agreement.

**Section 10.04. No Waiver of Sovereign Immunity by Mayor and Council.** Notwithstanding any other provisions of this Rider Agreement to the contrary, nothing in this Rider Agreement nor any action taken by the Mayor and Council pursuant to this Rider Agreement nor any document which arises out of this Rider Agreement shall constitute or be construed as a waiver of either the sovereign immunity or governmental immunity of the Mayor and Council and its appointed officials, officers and employees. Notwithstanding the foregoing, the Parties acknowledge and agree that this Rider Agreement and the Georgia/OMNIA Procurement Agreement create valid and enforceable contractual obligations, and as such, pursuant to Maryland law, the City may be subject to suit for breach of the terms the contract. Accordingly, the Contractor shall have the right to pursue all remedies available at law or in equity for the enforcement of the City’s contractual obligations under this Agreement, provided that such remedies do not exceed those expressly authorized by Maryland law or statute.

**Section 10.05. No Third-Party Beneficiaries.** No provision of this Rider Agreement shall be construed to confer any rights upon any person or entity who is not a Party hereto, whether a third-party beneficiary or otherwise.

**Section 10.06. Equal Opportunity Employment.** Contractor will not discriminate against any employee or applicant for employment because of age (in accordance with applicable law), sex, race, ancestry, color, religion, sexual orientation, gender identity or expression, physical or mental handicap, marital status, or political expression.

**Section 10.07. Intentionally Omitted.**

**Section 10.08. Tax Exemption.** The City is exempt from the payment of any federal excise or any Maryland sales tax and upon request shall provide Contractor with a valid tax exemption certificate authorized and honored by applicable taxing authorities that covers all Taxes.

**Section 10.09. Intentionally Omitted.**

**Section 10.10. Severability.** If any term, provision, covenant, or condition of this Rider Agreement is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remainder of this Rider Agreement shall not be affected thereby to the extent such remaining provisions are not rendered impractical to perform taking into consideration the purposes of this Rider Agreement. In the event that all or any portion of this Rider Agreement is found to be unenforceable, this Rider Agreement or that portion which is found to be unenforceable shall be deemed to be a statement of intention by the Parties; and the Parties further agree that in such event, and to the maximum extent permitted by law, they shall take all steps necessary to comply with such procedures or requirements as may be necessary in order to make valid this Rider Agreement or that portion which is found to be unenforceable.

**Section 10.11. Entire Agreement, Waivers and Amendments.** This Rider Agreement integrates all of the terms and conditions mentioned herein, or incidental hereto, and supersedes all negotiations and previous agreements between the Parties. All waivers of the provisions of this Rider Agreement must be in writing and signed by the appropriate authorities of the Party to be charged, and all amendments and modifications hereto must be in writing and signed by the appropriate authorities of the Parties.

**Section 10.12. Surviving Provisions.** Provisions of this Agreement which by their nature are intended to survive in the event of a dispute or because their obligations continue past termination of the Agreement, including provisions relating to acknowledgements, reservation of rights, use restrictions, fees, confidentiality, limits of liability, indemnification, and termination will so survive.

**Section 10.13. Counterparts.** This Rider Agreement may be executed in counterparts, each of which shall be deemed to be an original, and such counterparts shall constitute one and the same instrument.

**Section 10.14. Electronic Signatures.** This Agreement may be executed by electronic signature, which will be construed as an original signature for all purposes and have the same force and effect as an original signature. For these purposes, “electronic signature” means electronically scanned and transmitted versions (e.g., via pdf file or facsimile transmission) of an original signature, or signatures electronically inserted via software such as DocuSign or Adobe Sign.

**(Signature pages to follow)**

**IN WITNESS WHEREOF**, the Mayor and Council and the Contractor have each executed, or caused to be duly executed, this Rider Agreement for the procurement of the WFR SaaS under seal in duplicate, in the name and behalf of each of them (acting individually or by their respective officers or appropriate legal representatives thereunto duly authorized) as of the day and year first written above.

**MAYOR AND COUNCIL**

**Approved as to form:**

**THE MAYOR AND COUNCIL OF  
ROCKVILLE**, a body corporate and municipal  
corporation of the State of Maryland

\_\_\_\_\_  
Robert Dawson, City Attorney

By: \_\_\_\_\_  
Jeff Mihelich, City Manager

**CONTRACTOR**

**KRONOS SaaSHR, INC.**, a Massachusetts  
Limited Liability Company

By: \_\_\_\_\_  
Mei Deng  
Director, Finance Business Operations  
Duly Authorized

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**EXHIBIT A**  
**Georgia/Omnia Procurement Agreement**

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**See Attached**

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**EXHIBIT B**  
**User Agreement, UKG Public Sector MSA**

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User Agreement and associated policies and DPA, reproduced BELOW.

**SUBJECT TO MODIFICATIONS:**

Notwithstanding any provisions to the contrary which may appear in the Georgia/OMNIA Procurement Agreement and UKG Public Sector MSA, both incorporated herein, the parties agree as follows:

1. Contractor acknowledges the Mayor and Council of Rockville is a tax-exempt, governmental entity and reserves all sovereign and governmental immunities provided by Maryland law to a municipal corporation. Md. Const., Art XI-E; COMAR 21.07.03.02.
2. Contractor acknowledges that the Mayor and Council, its officers, employees and agents are obligated to comply with Rockville Charter, Art.VII, Sec. 3.
3. Payments will be made only upon receipt of a proper invoice detailing the goods/services, no taxes, and no interest charges contrary to the Maryland prompt payment law (COMAR 21.07.03.02; Maryland Code, chapter 30 and 31).
4. The Mayor and Council shall not assume any obligation to indemnify, hold harmless, or pay attorneys' fees that may arise from or in any way be associated with the performance or operation of this agreement. COMAR 21.07.03.23 Contractor acknowledges that as a municipal corporation Mayor and Council is subject to the limitations and immunities provided by the Local Government Tort Claims Act, Maryland Code, Court and Judicial Proceedings § 5-301 *et seq.*, cannot accept liability limitations caused by another party's gross negligence or willful misconduct and Mayor and Council does not accept any term that creates any obligation for the City to hold Contractor harmless from, or defend Contractor against, such claims.
5. In accordance with the terms of Section 8 of the User Agreement, Contractor agrees to indemnify and save harmless the State, its officers, agents and employees with respect to any claim, action, cost or judgment for patent infringement, or trademark or copyright violation arising out of purchase or use of materials, supplies, equipment or services covered by this contract. COMAR 21.07.03.18.
6. The parties agree the Contract and any dispute will be decided according to Maryland law (COMAR 21.07.03.19).
7. The Contractor agrees not to discriminate in any manner against an employee or applicant for employment because of race, color, religion, creed, age, sex, sexual orientation, gender identity, marital status, national origin, ancestry, or physical or mental disability of a qualified individual with a disability and to post and to cause subcontractors to post in conspicuous places available to employees and applicants for employment, notices setting forth the substance of this clause. COMAR 21.07.03.06; Rockville Code 17-116 and 11-2.

**Exhibit “C”**  
**UKG Public Sector MSA**

**Exhibit “C”**  
**UKG Public Sector MSA**

(also referred to as the UKG Kronos Systems, LLC Commercial Terms and Conditions)

These Public Sector Master Terms and Conditions (this “**Agreement**”) are made between the UKG entity, which may include UKG Kronos Systems LLC, Kronos SaaS Inc. or UKG Inc. (“**UKG**”) and the Public Agency signing the Order (“**Customer**”) which makes reference to the Master Agreement and sets forth the terms and conditions governing Customer’s use of UKG Software as a Services offerings, Equipment and other related Professional Training and Support Services that are stated on the Order or Statement of Work, including any attachments thereto. This Agreement is effective as of the date of the last Party to sign the Order (“**Effective Date**”). Capitalized terms used but not defined in this Agreement will have the meanings ascribed to them in the applicable Order or SOW.

**1. Services**

- 1.1 Subscription Services.** The Subscription Services will be identified in the Order. During the Initial Term and all applicable Renewal Terms defined in the Order, UKG will provide the Subscription Services to Customer and Customer may use such Subscription Services solely for its internal business purposes to manage the type and number of its employees subject to and conditioned on payment by Customer of all fees and Customer’s compliance with this Agreement, the Services Description, the Documentation, and the Order. Customer agrees that its purchases are not contingent on the delivery of any future functionality or features, or dependent on any oral or written public comments made by UKG regarding future functionality or features.
- 1.2 Support Services.** UKG shall maintain a trained and knowledgeable staff capable of providing support for the Subscription Services. UKG will use commercially reasonable diligence to correct reproducible errors when reported to UKG and provide phone, email, or online support 24 hours a day / 7 days a week as set forth in the UKG Support Policy located in the applicable Services Description and also available at <https://www.ukg.com/saas-support-policies-and-services>. UKG will also provide scheduled and periodic enhancements and modifications to the Subscription Services, including bug fixes, to correct reproducible errors reported to UKG.
- 1.3 Professional Services.** UKG will provide the Professional Services listed in the Order, in accordance with the applicable Statement of Work. If Customer requests additional Services that were not previously identified on an Order or Statement of Work, then the Parties may need to execute additional Orders or Statements of Work.
- 1.4 Training Services.** In connection with a Subscription Service, UKG will provide (a) live virtual training facilitated by a knowledgeable instructor and delivered remotely via a published schedule intended for (i) the core team to help key functional and technical users make informed solution design and configuration decisions and to provide fundamental product knowledge, and (ii) an application and system administrator to



prepare functional and technical super users to perform their most common tasks in the solution; and (b) self-paced product training. Training Services outside the scope of this section shall be provided by UKG as described in the Order and Statement of Work.

## **2. Acknowledgements**

- 2.1 Reservation of Rights.** The Subscription Services are provided with a limited right to use and are not sold, and UKG reserves and retains all rights not expressly granted in this Agreement. UKG has and shall maintain sole and exclusive ownership of all rights, title, and interests in the Services and Documentation, and all modifications and enhancements thereof (including ownership of all trade secrets, copyrights, trademarks, brands, and other intellectual property rights pertaining thereto). There will be no “work for hire” created as part of the Services or any deliverables owned by Customer, and all works, customizations, models, and developments created by UKG shall be considered a part of the Services.
- 2.2 Use Restrictions.** Except as expressly provided in this Agreement, no other use of the Subscription Services is permitted. Customer may not, and may not cause or permit others to: (a) reverse engineer, disassemble, adapt, translate, or decompile the Subscription Services, including, without limitation, any third party components, or otherwise attempt to derive source code, trade secrets, or knowhow from the Subscription Services; (b) license, sell, transfer, assign, distribute, or outsource use of the Subscription Services or Documentation, or provide service bureau, data processing, or time sharing access to the Subscription Services, or otherwise use the Subscription Services to provide payroll or human resource record keeping for third parties; (c) create Internet “links” to the Subscription Services or “frame” or “mirror” the Subscription Services on any other server, or wireless or Internet-based device; (d) access or use the Subscription Services or Documentation to build or support, directly or indirectly, products or services competitive to UKG; (e) interfere with or disrupt the integrity or performance of any Subscription Services or any data contained therein; (f) attempt to gain unauthorized access to any Subscription Services or its related data, systems, or networks; or (g) remove or alter any proprietary notices or marks on the Subscription Services or Documentation.
- 2.3 Customer Feedback.** Customer has no obligation to provide UKG with any suggestion, enhancement request, recommendation, evaluation, correction, or other feedback about the Services (“**Feedback**”), but if it does, Customer grants to UKG and its affiliates a worldwide, perpetual, irrevocable, royalty-free license to use, copy, modify, distribute, disclose, create derivative works, and make and incorporate such Feedback into its Services for any purpose. UKG has no obligation to incorporate or apply any Feedback to the Services.
- 2.4 Consent to Subcontract.** Customer hereby consents to UKG subcontracting Services to persons or companies qualified by UKG to provide Services on UKG’s behalf. UKG may also fulfill its obligations related to certain Services through its affiliates. UKG shall be responsible for the actions of its subcontractors and Affiliates.

**2.5 Compliance with Laws.** UKG shall comply with Applicable Laws in performing its obligations hereunder. Customer shall comply with Applicable Laws when using the Services and remains solely responsible for its compliance with Applicable Laws, including, but not limited to, with respect to the configuration and use of the Services and regardless of whether UKG provides assistance with Customer compliance matters. Customer acknowledges that the specific record retention requirements established under Applicable Laws relating to Customer are the responsibility of Customer and not UKG.

**2.6 Upgrades and Modifications.**

**2.6.1 Upgrades.** The Subscription Services may be upgraded or changed at any time as required by normal business conditions, provided that such changes will not materially diminish the functionality of the Subscription Services. Any changes to the Subscription Services will be applicable to all UKG customers of the Subscription Services and material changes will be deployed with reasonable advance notice.

**2.6.2 Modifications.** UKG may unilaterally revise its Master Services Agreement ("MSA") terms if they are not material. For revisions that will materially change the terms of the Agreement, the revised MSA terms must be incorporated into the Agreement which will be published. Any MSA terms or conditions unilaterally revised that are inconsistent with any material term or provision of this Agreement shall not be enforceable against the Customer, and the Customer shall not be deemed to have consented to them.

**2.7 Acceptable Use.** Customer will use the Subscription Services in full compliance with the Acceptable Use Policy attached as Exhibit 1 and which could be found in <http://www.ukg.com/acceptable-use-policy> ("**Acceptable Use Policy**"), which requires Customer not to (a) use, or encourage, promote, facilitate or instruct others to use, the Services for any illegal, harmful or offensive use, or to transmit, store, display, distribute or otherwise make available content that is illegal, harmful, or offensive, (b) use the Services to violate the security or integrity of any network, computer or communications system, software application, or network or computing device, (c) interfere with or fail to cooperate with any UKG investigation of a security incident involving any UKG system, infrastructure or customer data, (d) make network connections to any users, hosts, or networks unless Customer has permission to communicate with them, and (e) use the Service to distribute, publish, send, or facilitate the sending of unsolicited mass e-mails or other messages.

**2.8 Access Credentials.** Except as otherwise provided herein, Customer will not provide any third party with access credentials to the Subscription Services and will safeguard and compel all users to safeguard the access credentials. Customer will be responsible for all acts and omissions of its users. Customer will notify UKG promptly if it learns of any unauthorized use of any access credentials or any other known or suspected breach of security. If Customer allows use of the Subscription Services by any of its departments or public agencies which Customer controls without requiring such department or public

agency to execute a separate Order with UKG to establish its own tenant environment, then Customer will be fully responsible and liable for all use and misuse of the Subscription Services by such Affiliate, and will fully cooperate with UKG in enforcing all of its rights to, interests in, and protection of the Services, including in seeking equitable remedies against any Affiliate that breaches this Agreement. Customer may also allow use of the Subscription Services by its legally bound contractors, provided such use is solely on Customer's behalf, is strictly in compliance with the terms and conditions of this Agreement, Customer at all times remains in control of and retains management over the Subscription Services, and Customer is liable for all breaches of this Agreement by such contractor. Customer authorizes UKG to provide such Customer contractors access to the Subscription Services.

- 2.9 Connectivity.** Customer is responsible for securing, paying for, and maintaining connectivity to the Subscription Services from Customer's location(s) via the internet, including any and all related hardware, software, third party services, and related equipment and components for such connectivity. Customer agrees that UKG will have no liability for such connectivity and Customer will not be excused from any of its obligations under the Agreement due to the quality, speed, or interruption of the communication lines from the Customer's location(s) to the internet.

### **3. Fees and Taxes**

UKG understands that Customer may be subject to Applicable Laws governing payment, including availability of funds, timing of payments, late payment interest penalties, and taxes.

- 3.1 Fees.** Customer will pay the fees on the payment terms and in the currency indicated in the Order. For each Order, the billing period of the fees will start on the Billing Start Date as set forth in the Order and will continue for the time period indicated as the Initial Term and all Renewal Terms, each as defined on the Order. Customer is responsible to pay for the Services for the entire Initial Term and each Renewal Term. UKG may increase the fees as set forth in the Order. The increased fees will be set forth in the applicable invoice. Except as otherwise specified in the Order and this Agreement (a) subscription fees are based on Subscription Services purchased and not time of actual usage; (b) minimum quantities purchased cannot be decreased during the relevant the then current Initial Term or Renewal Term; (c) additional quantities may be purchased; and (d) payment obligations are non-cancelable and fees paid are non-refundable.

- 3.2 Taxes.** *This section applies only if Customer has not provided with a valid tax exemption certificate authorized and honored by applicable taxing authorities that covers all Taxes.* The fees exclude, and Customer will be responsible for, all applicable sales, use, excise, withholding, VAT, and any other similar taxes, duties and charges of any kind imposed by any governmental entity in connection with the Services (excluding taxes based solely on UKG's income) ("Taxes").

**3.3 Late Payment.** Any invoices not reasonably disputed in writing within thirty (30) days from the date of receipt will be deemed undisputed and due. All undisputed invoices not paid within thirty (30) days after the date such amounts are due and payable may accrue interest at a rate up to the maximum allowable by applicable law. Customer will reimburse UKG for any additional reasonable cost incurred by UKG in connection with collecting any amounts payable under this Agreement. If Customer is more than thirty (30) days overdue in its payment of an undisputed amount due, then UKG reserves the right to suspend the Services provided under the applicable Order, but only until such payment is made to UKG and provided that UKG gives Customer at least ten (10) business days prior written notice of the overdue amount before UKG suspends the Services. Upon payment in full of all overdue amounts, UKG will restore the Services.

#### **4. Data, Security and Privacy**

**4.1 Ownership of Customer Data.** Customer shall retain ownership of all rights, title, and interests in and to Customer Data. No ownership rights in Customer Data will transfer to UKG. UKG will maintain backup copies of Customer Data as required to maintain and provide the Services, but Customer is responsible for maintaining backup copies of all data and information that Customer inputs into the Services or otherwise provides to UKG.

**4.2 Use of Customer Data.** Consistent with common Software as a Service (SaaS) industry practices and in accordance with Applicable Laws, UKG collects Customer Data to keep Services regularly up to date with appropriate market standards and security. All Customer Data collected is used solely for the purpose of providing and improving the Services and enhancing the customer experience with new functionalities.

**4.3 Collection of Personal Information.** Services may employ applications and tools that collect and process Personal Information that may be required by UKG to provide the requested Services or functionality included in or related to those Services. If Customer wishes to stop the collection and processing of Personal Information, Customer may need to uninstall or discontinue using certain Services.

**4.4 Data Privacy and Security.** Each Party agree to comply with Applicable Laws in its processing of Personal Information. UKG and its subprocessors will process Personal Information in accordance with UKG's DPA. All Customer Data will be secured and protected as set forth in the Technical and Organizational Measures of UKG's DPA.

#### **5. Confidentiality**

**5.1 Definition.** “**Confidential Information**” is any non-public information relating to a Party that is disclosed pursuant to any Order or this Agreement, and which reasonably should be understood by the recipient of such information to be confidential because of (a)

legends or other markings; (b) the circumstances of the disclosure; or (c) the nature of the information itself.

**5.2 Exceptions.** Information will not be considered Confidential Information if the information was (a) in the public domain without any breach of this Agreement; (b) disclosed to the receiving Party on a non-confidential basis from a source lawfully in possession of such Confidential Information and, to the knowledge of the receiving Party, is not prohibited from disclosing such Confidential Information to receiving Party; (c) released in writing from confidential treatment by disclosing Party; or (d) is independently developed by the receiving Party without use of or reference to the Confidential Information.

**5.3 Nondisclosure.** Except as expressly permitted in this section, neither Party will disclose the other Party's Confidential Information to any third party.

**5.4 Protection.** Each Party will secure and protect the Confidential Information of the other Party with a reasonable standard of care commensurate with the sensitivity of such Confidential Information and using precautions that are at least as stringent as it takes to protect its own Confidential Information of like nature, but no less than reasonable precautions.

**5.5 Use.** Each Party will only use the Confidential Information of the other Party as expressly permitted by or as required to exercise their rights, duties, and obligations under this Agreement.

**5.6 Disclosure Exceptions.** Confidential Information may be shared with and disclosed to (a) any Affiliate, subcontractor, or other third party who has a need to know to enable the receiving Party to exercise its rights or perform its obligations in connection with this Agreement and have non-disclosure obligations at least as stringent as the confidentiality provisions of this Agreement that apply to the Confidential Information; or (b) any court or governmental agency of competent jurisdiction, pursuant to a subpoena, order, civil investigative demand or similar process with which the receiving Party is legally obligated to comply, and of which the receiving Party notifies disclosing Party as required by a legal process, including in connection with any proceeding to establish a Party's rights or obligations under this Agreement (provided however that, when permitted by Applicable Law, a Party will give the other reasonable prior written notice so that the disclosing Party has an opportunity to contest any disclosure required by a legal process).

**5.7 FOIA/Public Disclosure Laws.** Notwithstanding any confidentiality obligations in the Agreement, UKG acknowledges that Customer may be compelled to disclose Confidential Information pursuant to the Federal Freedom of Information Act and any state equivalents or other open-records or public disclosure Applicable Laws. Customer may disclose such information to third parties upon written request to the extent compelled by such Applicable

Laws; provided that, prior to any such disclosure, Customer provides prior written notice of such compelled disclosure (to the extent legally permitted) and reasonable assistance, at UKG's cost, if UKG wishes to limit or contest the scope of the disclosure in whole or in part.

## **6. Warranty**

**6.1 Mutual Warranties.** Each Party hereby warrants that (a) it has the full right and authority to enter into this Agreement; and (b) the performance of its obligations and duties under this Agreement does not conflict with or result in a breach of any other agreement of such Party or any judgment, order, or decree by which such Party is bound.

**6.2 Subscription Services Warranty.** UKG warrants that the Subscription Services will substantially conform with the Documentation and that the functionality of the Subscription Services will not be materially diminished or adversely modified. In the event of a breach of the warranty described in this Section, as Customer's exclusive remedy and UKG's sole obligation, at UKG's cost, UKG will make commercially reasonable efforts to remedy such breach, provided that if UKG cannot substantially remedy such breach, then Customer may terminate the affected Subscription Services in accordance with Section 7.2.2. Customer agrees to report any non-conformance of the Subscription Services within thirty (30) days of its discovery and provide UKG with reasonable information and assistance to enable UKG to reproduce or verify the non-conforming aspect of the Subscription Services.

**6.3 Professional, Support, and Training Services Warranty.** UKG warrants that the Professional Services, Support Services, and Training Services will be performed by qualified personnel in a good and professional manner. In the event UKG breaches the warranty described in this Section, as Customer's exclusive remedy and UKG's sole obligation, UKG will reperform the deficient Professional, Support, or Training Service, at UKG's cost, provided that if UKG cannot substantially remedy such breach, then UKG will refund any fees prepaid by Customer for the affected Services. Customer must report any deficiencies in such Services, including Professional Services, within thirty (30) days of the completion of the Services.

**6.4 Disclaimer.** TO THE EXTENT PERMITTED UNDER APPLICABLE LAW, UKG DISCLAIMS ALL OTHER WARRANTIES NOT SET FORTH IN THIS AGREEMENT, EITHER EXPRESS OR IMPLIED, INCLUDING ALL WARRANTIES OF MERCHANTABILITY, QUALITY, PERFORMANCE, FITNESS FOR A PARTICULAR PURPOSE, NON-INFRINGEMENT, TITLE, AND ANY WARRANTIES ARISING FROM COURSE OF DEALING, USAGE, OR TRADE PRACTICE, IN CONNECTION WITH THIS AGREEMENT, THE SERVICES, AND ANY PRODUCTS PROVIDED BY UKG. UKG DOES NOT REPRESENT, WARRANT, OR COVENANT THAT THE SERVICES OR ANY

OTHER PRODUCT OR SERVICE PROVIDED HEREUNDER WILL BE UNINTERRUPTED, ERROR-FREE, VIRUS-FREE, OR SECURE. THIS DISCLAIMER OF WARRANTY MAY NOT BE VALID IN SOME JURISDICTIONS AND CUSTOMER MAY HAVE WARRANTY RIGHTS UNDER LAW WHICH MAY NOT BE WAIVED OR DISCLAIMED; HOWEVER, ANY SUCH WARRANTY RIGHTS EXTEND ONLY FOR THIRTY (30) DAYS FROM THE EFFECTIVE DATE OF THIS AGREEMENT (UNLESS AND ONLY TO THE EXTENT SUCH LAW PROVIDES OTHERWISE).

**6.5 Customer Warranty.** Customer warrants that it has all rights and required consents to provide Customer Data to UKG.

## **7. Term and Termination**

**7.1 Term of the Agreement.** The term of this Agreement commences on the Effective Date and continues until the stated term in each applicable Order or as otherwise terminated as permitted in this Agreement. At the expiration of the Initial Term, and at the expiration of each Renewal Term, each as indicated on the Order, the Services will automatically renew for the duration indicated on the Order as the Renewal Term.

## **7.2 Types of Termination**

**7.2.1 Non-renewal.** Either Party may terminate any Service identified in an Order upon at least sixty (60) days prior written notice to be effective at the expiration of the then current Initial Term or a Renewal Term.

**7.2.2 For Cause.** Either Party may terminate this Agreement, or any Service identified in an Order, if the other Party fails to perform any material obligation under this Agreement, and such Party is not able to cure the non-performance within thirty (30) days of written notice of such default with reasonably sufficient detail regarding the alleged breach, provided that UKG may immediately terminate or suspend Customer's access to the Services without notice if Customer is in breach of the "Use Restrictions" or "Confidentiality" sections of this Agreement, or the Acceptable Use Policy to prevent further harm. Either Party may immediately terminate this Agreement and all Orders if the other Party has a receiver or similar party appointed for its property, becomes insolvent, acknowledges its insolvency in any manner, ceases to do business, makes an assignment for the benefit of its creditors, or files a petition in bankruptcy. Other than as expressly permitted in this Agreement, or an Order, SOW, or Services Description, neither Party may terminate this Agreement and each Party remains fully obligated to the terms and conditions herein.

**7.2.3 For Non-Appropriation of Funds.** If Customer is a US Federal, State, or Local

governmental entity that relies on funding which is allocated at the federal, state and/or local level to fund the Service in the Agreement, then, to the extent required by law, the following will apply: Customer may terminate the Service in the event of a reduction in appropriations to any fund(s) from which UKG is to be paid for Services ordered under this Agreement but not yet delivered. Customer will provide a ninety (90) day prior written notice in the event of such termination to UKG and Customer agrees to pay for the products delivered and the services performed by UKG prior to the effective date of such notice. In the event of such termination, Customer shall not be entitled to a refund of pre-paid Services, such as the support fees. Customer acknowledges that by executing an Order Form for the Services, Customer has received fiscal appropriations for the amounts due during the Initial or Renewal Term (as applicable) as indicated on such Order.

**7.3 Effects of Termination.** The following terms apply if an Order is terminated for any reason:

**7.3.1 Fees.** All fees will be paid by Customer for amounts owed through the effective date of termination, and, if the Order is terminated for UKG's breach of the Agreement, any fees prepaid by Customer for the Service not rendered prior to the effective date of termination will be credited against Customer's account, with any remaining amounts refunded to Customer within thirty (30) days of the effective date of termination.

**7.3.2 Cessation of Services.** UKG will cease to provide the Services to Customer and Customer's right to use and access the Subscription Services will end as of the effective date of termination. If Customer requires access to the Subscription Services after the effective date of termination or transition assistance, such access and assistance will be subject to mutual agreement and additional fees, under a separate Order or SOW, and will be subject to the terms and conditions of this Agreement.

**7.3.3 Deletion of Customer Data.** UKG will delete Customer Data after Customer's rights to access the Subscription Services and retrieve Customer Data have ended, unless otherwise provided under this Agreement, a Services Description, Order, SOW, or another document. UKG will delete Customer Data in a series of steps and in accordance with UKG's standard business practices for destruction of Customer Data and system backups. UKG has no obligation to retain Customer Data and Customer Data may be permanently deleted as part of UKG's data management program(s) or practice(s), and in accordance with Applicable Laws.

**7.3.4 Confidential Information.** UKG and Customer will each return or destroy any Confidential Information of the other Party, with any retained Confidential Information remaining subject to this Agreement.



## 8. Indemnification

- 8.1 Claims Against Customer.** UKG will defend Customer and Customer's respective directors, officers, and employees, who are acting on behalf of Customer ("**Customer Indemnified Parties**"), from and against any and all third party Claims to the extent the Services or Documentation infringe or misappropriate any registered copyright or patent. UKG will indemnify and hold harmless the Customer Indemnified Parties against any liabilities, damages, costs, or expenses (including, without limitation, reasonable attorneys' fees) actually awarded by a court of applicable jurisdiction to the extent resulting from such third party Claim, or as a result of UKG's settlement of such third party Claim.
- 8.2 Mitigation.** In the event that a final injunction is obtained against Customer's use of the Subscription Services by reason of infringement or misappropriation, or if in UKG's opinion, the use of the Subscription Services is likely to become the subject of a successful Claim of infringement or misappropriation, UKG (at its option and expense) will use commercially reasonable efforts to either (a) procure for Customer the right to continue using the Subscription Services as provided in the Agreement; or (b) replace or modify the Subscription Services so that they become non-infringing but remain substantively similar to the affected Subscription Services. Should neither (a) nor (b) be commercially reasonable, either Party may terminate the applicable Subscription Services and the rights granted hereunder upon written notice, at which time UKG will provide a refund to Customer of any fees paid by Customer for the infringing elements covering the period of their unavailability.
- 8.3 Exceptions.** UKG will have no liability to indemnify or defend Customer to the extent the alleged infringement or misappropriation of the Subscription Services is based on (a) use other than as expressly permitted by this Agreement or by UKG in writing; or (b) use in conjunction with any equipment, service, or software not provided by UKG, where the Subscription Services would not otherwise infringe, misappropriate, or become the subject of the third party Claim.
- 8.4 Qualifications.** Customer will provide written notice to UKG promptly after receiving notice of a third party Claim. If defense of such third party Claim is materially prejudiced by a delay in providing notice, UKG will be relieved from providing such indemnity to the extent of the delay's impact on the defense. UKG will have sole control of the defense of any indemnified third party Claim and all negotiations for its settlement or compromise, provided that UKG will not enter into any settlement which imposes any obligations on Customer without the prior written consent of Customer. Customer will cooperate fully (at UKG's request and expense) with UKG in the defense, settlement, and compromise of any such action. Customer may retain its own counsel at its own expense, subject to UKG's rights above.
- 8.5 Government Control of Defense.** If Customer is a US Federal, State, or Local governmental entity, then, to the extent required by law, the following will apply: Any

provision of the Agreement requiring UKG to defend or indemnify Customer is hereby amended, solely to the extent required by Applicable Laws, to provide that the U.S. Department of Justice (for a Federal Customer) or applicable State Attorney General's Office (for a SLED Customer) has the right to represent the respective Federal or SLED entity in litigation and other formal proceedings at its own cost. Subject to approval of the U.S. Department of Justice (for a Federal Customer) or applicable State Attorney General's Office (for a SLED Customer), if applicable, Customer shall tender defense of action to UKG upon request by UKG.

- 8.6** This "Indemnification" section states UKG's sole liability and Customer's exclusive remedy for all third party Claims and damages.

## **9. Limitations of Liability**

- 9.1 Monetary Cap.** DURING ANY TWELVE (12) MONTH CONTRACT TERM (BEGINNING ON THE EFFECTIVE DATE OF THE APPLICABLE ORDER), UKG'S TOTAL AGGREGATE LIABILITY FOR ANY AND ALL CLAIMS IN CONNECTION WITH ANY SERVICE PROVIDED TO CUSTOMER SHALL IN NO EVENT EXCEED THE AMOUNT PAID OR PAYABLE TO UKG DURING SUCH TWELVE (12) MONTH CONTRACT TERM FOR THE SERVICE GIVING RISE TO SUCH CLAIM(S).
- 9.2 Exclusion of Damages.** UKG WILL NOT BE LIABLE FOR ANY INDIRECT, CONSEQUENTIAL, INCIDENTAL, SPECIAL, OR PUNITIVE DAMAGES; FOR THE COST OF ACQUIRING SUBSTITUTE OR REPLACEMENT SERVICES; OR FOR ANY LOST OR IMPUTED PROFITS OR REVENUES, BUSINESS INTERRUPTION, LOST GOODWILL, OR LOST DATA RESULTING FROM OR RELATED TO THE SERVICES OR THIS AGREEMENT, HOWEVER CAUSED; OR ANY DAMAGES TO THE EXTENT CAUSED BY CUSTOMER'S DATA OR APPLICATIONS, CUSTOMER'S ALLOWANCE OF UNAUTHORIZED THIRD PARTY ACCESS, OR CUSTOMER'S INTRODUCTION OF MALICIOUS CODE.
- 9.3 Applicability of Limitations.** THESE LIMITATIONS APPLY FOR ANY REASON, REGARDLESS OF LEGAL THEORY AND THE REASON LIABILITY IS ASSERTED, EVEN IF UKG HAS KNOWLEDGE OF THE POSSIBILITY OF SUCH DAMAGES AND WHETHER OR NOT SUCH DAMAGES ARE FORESEEABLE. NOTWITHSTANDING ANYTHING TO THE CONTRARY IN THIS AGREEMENT, NOTHING IN THIS SECTION OR ELSEWHERE IN THIS AGREEMENT SHALL OPERATE TO EXCLUDE OR LIMIT THE LIABILITY OF ANY PARTY TO THE EXTENT SUCH LIABILITY CANNOT LAWFULLY BE SO LIMITED OR EXCLUDED UNDER APPLICABLE LAW. INSOFAR AS APPLICABLE LAW PROHIBITS ANY LIMITATION ON LIABILITY HEREIN, THE PARTIES AGREE THAT SUCH LIMITATION WILL BE AUTOMATICALLY MODIFIED, BUT ONLY TO THE EXTENT SO AS TO MAKE THE LIMITATION COMPLIANT WITH APPLICABLE LAW. THE PARTIES AGREE THAT THE LIMITATIONS ON LIABILITIES SET FORTH HEREIN ARE AGREED ALLOCATIONS OF RISK AND SUCH

LIMITATIONS WILL APPLY NOTWITHSTANDING THE FAILURE OF ESSENTIAL PURPOSE OF ANY LIMITED REMEDY.

## **10. General**

**10.1 Jurisdiction & Dispute Resolution.** This Agreement is governed by and is to be interpreted solely in accordance with the laws of the Commonwealth of Massachusetts, without regard to any conflict of law provision that would result in the application of a different body of law, and each Party agrees to submit to exclusive venue in the courts in Boston, Massachusetts in any dispute arising out of or relating to this Agreement. The United Nations Commission on International Trade Law, the United Nations Convention on Contracts for the International Sale of Goods, and the Uniform Computer Information Transactions Act (UCITA) will not apply to this Agreement.

**10.2 Federal Government Use Provision.** If the ultimate end user is a U.S. federal government entity, then it acknowledges that the Subscription Services, Equipment and Documentation consist of "commercial services" and "commercial products," as defined in FAR 2.101, consisting of "commercial computer software," "commercial computer software documentation" and "technical data" as these terms are used in FAR 12.211-12.212 and in DFARS 227.7202, as applicable. All such government end users will comply with this Agreement while using Subscription Services, Equipment and Documentation. the rights of the U.S. Government to use, modify, reproduce, release, perform, display, or disclose commercial computer software, commercial computer software documentation, and technical data furnished in connection with the Subscription Services, Equipment and Documentation shall be as provided in this Agreement, except that, for U.S. Department of Defense end users, technical data customarily provided to the public is furnished in accordance with DFARS 252.227-7015. If such Customer needs any additional rights, it must negotiate a mutually agreed addendum to these Agreement specifically granting those rights.

**10.3 Export.** Each Party shall comply with the export laws and regulations of the United States and other applicable jurisdictions in providing and using the Services. Without limiting the generality of the foregoing, Customer represents that it is not on any U.S. government denied- party list and it shall not make the Services available to any person or entity that (a) is located in a country that is subject to a U.S. government embargo; (b) is listed on any U.S. government list of prohibited or restricted parties; or (c) is engaged in activities directly or indirectly related to proliferation of weapons of mass destruction.

**10.4 UKG's Employer Obligations.** UKG is responsible for compliance with all requirements and obligations relating to its employees under all Applicable Laws including, but not limited to, employer's obligations under laws relating to: payroll, income tax withholding and reporting; civil rights; equal employment opportunity; discrimination on the basis of age, sex, race, color, religion, disability, national origin, or veteran status; overtime;

minimum wage; social security contribution and withholding; unemployment insurance; employer's liability insurance; worker's compensation; veteran's rights; and all other employment, labor, or benefits related laws.

**10.5 Human Trafficking and Modern Slavery.** UKG shall comply with all Applicable Laws regarding slavery and human trafficking of the state, province, and country/countries in which they are performing the Services and doing business, including, but not limited to, the California Transparency in Supply Chains Act and the United Kingdom Modern Slavery Act.

**10.6 E-Verify.** To the extent required by Applicable Laws, UKG agrees to utilize the U.S. Department of Homeland Security's E-Verify system, to verify the employment eligibility of all persons assigned by UKG to perform work in the United States pursuant to this Agreement.

**10.7 Severability and Waiver.** The invalidity or illegality of any provision in this Agreement will not affect the validity of any other provision. All unaffected provisions remain in full force and effect. The waiver of any breach of this Agreement will not constitute a waiver of any subsequent breach or default and will not negate the rights of the waiving Party.

**10.8 Surviving Provisions.** Provisions in this Agreement which by their nature are intended to survive in the event of a dispute or because their obligations continue past termination of the Agreement, including provisions relating to acknowledgements, reservation of rights, use restrictions, fees, confidentiality, limits of liability, indemnification, and termination, will so survive.

**10.9 Assignment.** This Agreement cannot be assigned by a Party, whether by operation of law or otherwise, without the prior written consent of the other Party; provided, however, that either Party may assign this Agreement in its entirety (including all Orders and Statements of Work) as part of a merger, acquisition, transfer, or sale of all or substantially all of its assets, stock or business, including to an Affiliate, so long as the assignee agrees to be bound by all of the terms and conditions of this Agreement, the Orders, and Statements of Work. In the event of such an assignment, the non-assigning party shall be entitled to request from the assignee reasonable information to demonstrate that the assignee has the necessary resources and expertise to provide the Service. In no event shall Customer have the right to assign the Agreement to a direct competitor of UKG. This Agreement shall be binding on and inure to the benefit of all permitted predecessors, successors, and assigns of each Party.

**10.10 Force Majeure.** If an unforeseeable event reasonably beyond the control of either of the Parties arises to prevent a Party from performing its obligations under this Agreement, including, but not limited to, acts of war, terrorism, uprising, acts of nature like earthquakes or floods, measures of any governmental authority in response to pandemics, epidemics or other viral or bacterial outbreaks, civil unrest, embargoes, riots, sabotage,

labor shortages, changes in laws or regulations, the failure of the internet or communications via common networks, failure of payment transfer mechanisms (but not lack of funds to make payments), power or system failure, or a delay in transportation (collectively “**Force Majeure**”), each Party will be excused from performance of its obligations under this Agreement, for the duration of the Force Majeure affecting such Party, provided that the affected Party will use reasonable efforts to mitigate the impact of the Force Majeure. Notwithstanding the foregoing, UKG remains obligated to provide disaster recovery portions of the Services to the extent not also prevented by the Force Majeure.

**10.11      Publicity.** UKG will not publicize matters relating to Customer’s use of the Services without Customer’s prior consent. Despite the foregoing, UKG may identify the Customer as a UKG customer and use Customer’s name, trademark, and logo, in any and all media, including without limitation, UKG’s advertising literature, marketing materials, websites, and lists of UKG’s customers; however, such usage shall not be classified as an advertisement but only identification as an entity who receives the Service from UKG. For the avoidance of doubt, this section does not prohibit UKG from referencing Customer’s name in a verbal format.

**10.12      Notice.** When either Party needs to provide notification or consent under this Agreement, those notices and consents must be in writing and considered delivered upon actual receipt. All notices to UKG must be sent to the following: [UKGLegal@ukg.com](mailto:UKGLegal@ukg.com) with a copy to EVP Chief Legal Officer, UKG Inc., 900 Chelmsford Street, Lowell, MA 01851. All notices to Customer will be sent to the contact listed on the applicable Order. Notices sent elsewhere will not be considered effective under this Agreement. Any cure period required under this Agreement will begin on the date the notice is received.

**10.13      eSignature.** Each Party agrees that an eSignature (or a facsimile signature by the authorized representative) is evidence of acceptance of a valid and enforceable agreement.

**10.14      No Third Party Beneficiaries.** The provisions of this Agreement are for the sole benefit of the Parties and they will not be construed as conferring any rights on any third party nor are there any third party beneficiaries to this Agreement.

**10.15      Titles and Headings.** Titles and headings of sections of this Agreement are for convenience only and shall not affect the construction of any provision of this Agreement.

**10.16      Relationship of the Parties.** The Parties are independent contractors. Nothing in this Agreement shall be deemed to constitute a partnership or joint venture between the Parties or constitute any Party to be the agent of the other Party for any purpose.

**10.17 Entire Agreement.** This Agreement (and any information in referenced herein, including in an exhibit, schedule, attachment, annex, or at any URL) along with any corresponding Order, SOW, and Services Description constitute the entire agreement between the Parties pertaining to each Order. This Agreement supersedes all prior and contemporaneous representations, negotiations, and communications between the Parties relating to the Services and its subject matter. Customer acknowledges that it has not relied upon any such representations, negotiations, and communications, and waives any rights or claims arising from such representations, negotiations, and communications, including any claims for fraud or misrepresentation. This Agreement may only be amended in writing signed by each of the Parties. If Customer uses its own purchase order or similar document, any terms or conditions in such purchase order are null and void. In the event of a conflict between the provisions contained in this Agreement and those contained in an Order, SOW, or Services Description, the following order of precedence shall apply: (1) the Order, (2) this Agreement, (3) Services Description, and (4) the SOW.

## **11. Definitions**

- 11.1 “Affiliates”** means, as to UKG, those entities that are directly or indirectly controlled by UKG Inc.; and as to Customer, those Customer entities that directly or indirectly control, are controlled by, or are under common control with Customer. “Control” (in this context) means the possession, directly or indirectly, of the power to direct or cause the direction of the management and operating policies of the entity in respect of which the determination is being made through the ownership of the majority of its voting or equity securities, contract, or otherwise.
- 11.2 “Applicable Law(s)”** means all laws, codes, legislative acts, regulations, ordinances, administrative rules, rules of court, and court orders applicable to a Party’s respective business.
- 11.3 “Claim(s)”** means any and all notices, charges, claims, proceedings, actions, causes of action and suits.
- 11.4 “Customer Data”** means all content, information, and data Customer inputs into the Subscription Services, including but not limited to Personal Information.
- 11.5 “Documentation”** means the written specifications for the Subscription Services or other published online by UKG on its community pages accessible at <https://www.ukg.com/support> and <https://library.ukg.com/>, such as user manuals and administrator guides, as well as the Services Descriptions.
- 11.6 “DPA”** means UKG’s U.S. Data Processing Agreement located at <https://www.ukg.com/us-dpa>.
- 11.6 “Order”** means an order form, agreed by both Parties, which is subject to this Agreement or otherwise references this Agreement, setting out, among other things, the type and quantity of employees that may be managed in the Subscription Services, the term of the

Order, price and payment terms of the Services to be provided by UKG, and the fees to be paid by Customer.

**11.7 “Party” or “Parties”** means UKG or Customer, or both, as the context dictates.

**11.8 “Personal Information”** means Customer Data related to a Data Subject as defined under U.S Privacy Laws, including “personal information” as defined under the California Consumer Privacy Act (“CCPA”) and any similar terms, such as “personally identifiable information”.

**11.9 “Professional Services”** means the deployment, launch, configuration, implementation, integration, delivery, consulting, managed, and other similar services provided hereunder.

**11.10 “Services”** means the (a) Subscription Services; (b) Support Services; (c) Professional Services; (d) Training Services; and (e) other services or offerings as set forth in an Order.

**11.11 “Services Description”** means the supplemental terms applicable to a Subscription Service or other offerings located at <http://www.ukg.com/services-descriptions>.

**11.12 “Statement of Work” or “SOW”** means a document executed by both Parties, which is subject to this Agreement and the applicable Order or otherwise references this Agreement, detailing the scope of Professional Services or Training Services, the associated fees, and other applicable terms.

**11.13 “Subscription Services”** means those UKG software-as-a-service (“SaaS”) applications set forth on the Order, including the UKG data accessible therein, and made available to Customer via a hosted multi-tenant environment to use on a subscription basis.

**11.15 “Support Services”** means support and maintenance services provided by UKG for the Subscription Services, as described in this Agreement.

**11.16 “Training Services”** means in person and virtual instructor-led training and courses, including online, on-demand, in-product, and on-site courses provided by UKG.

**11.17 “UKG”** means UKG Kronos Systems, LLC., a Massachusetts limited liability company with its principal place of business at 900 Chelmsford Street, Lowell, MA 01851.

**Exhibit “C-2” UKG Support Policy**





# SaaS Support Policies and Services

[FRENCH >](#) [GERMAN >](#)

## Customer Support Service Level Agreement for PRO, DIMENSIONS, READY, and HRSD

UKG provides support for all customer environments on UKG Subscription Services. Configuration of new features may be subject to additional cost depending on complexity.

### Priority Based Support

UKG provides support on a "priority" basis. As such, customers with the most critical request(s) will be serviced first, pursuant to the following UKG guidelines:

Priority Level Description		Target Response Time
High	A critical Customer issue with no available workaround where the Subscription Services cannot be accessed, or where the Subscription Services are experiencing major system degradation, such as:	Thirty (30) minutes or immediately via Rapid Response

## Priority Level Description

## Target Response Time

- Cloud outage
- Unable to sign-off time cards
- Payroll data accuracy or unable to process payroll
- Totals are not accurate
- Unable to collect punches from terminals
- Unable to access a critical function within the Subscription Services

### Medium

A serious Customer issue which impacts ability to utilize the Subscription Services effectively, such as:

- Intermittent or inconsistent functionality results or data accuracy (e.g., accrual balances not matching pay codes but balances are accurate)
- Data display inaccuracies or inconsistencies across multiple tasks
- Application performance is inconsistent or fluctuates

One (1) business hour or immediately via Rapid Response

### Low

Non-critical Customer issue generally entailing use and usability issues or "how to" questions, such as:

- How do I set up a holiday pay rule?
- How do I run a report?

Within two business (2) hours

## Service Coverage Period

UKG provides support 24 hours a day, seven days a week, 365 days a year, for high priority issues. UKG provides support during business hours for medium and low priority issues.

## Support Language

Support is provided in English and may be provided in French, German and Spanish in some regions during local business hours.

## Support Exclusions

Support services do not include service to the Subscription Services resulting from, or associated with:

1. Failure to use the Subscription Services in accordance with UKG's published specifications;
2. Customer's end user computer or operating system malfunctions, including browser and internet connection, or failure of the internet;
3. Services required for Subscription Services programs or conversions from products or software not supplied by UKG; or
4. Implementation services, configuration changes, and custom reports.

## Critical Outages

UKG will provide continuous effort on all high priority events through either bug identification, the development of a workaround, or problem resolution. If this effort goes beyond normal business hours, the case may be passed to the after-hours team. On-going continuous effort may also be dependent on the customer's ability to provide a resource to work with UKG during this period.

## Technical Escalation

UKG's case resolution process is a team based approach structured around specific features within the Subscription Services and staffed by UKG support engineers covering the full spectrum of skill sets and technical expertise. The teams are empowered to dynamically apply the appropriate resources to a case based on severity and complexity for the fastest resolution time possible.

The teams are also integrated with the development engineering and cloud operations staff and engage their assistance and technical guidance when necessary and/or directly escalate depending on case severity and time to resolve considerations.

For situations that contain multiple cases, an account or relationship manager may be assigned to act as a single point of contact and communication regarding case resolution status, action plan development, resource integration and implementation co-ordination. The account or relationship manager remains engaged until the situation has been successfully remediated.

## Management Escalation

Customers may, at any time, ask to speak to a UKG global support manager if they experience dissatisfaction with the level of service received with respect to a specific case or service in general. To contact a UKG global support manager, please telephone your UKG support services center and ask to speak to a manager. Phone numbers are listed on the UKG Community at

<https://community.kronos.com/s/article/KB13193>.

## Remote Support

UKG utilizes a web-based screen-sharing tool of its choosing that enables UKG to support Customers by empowering our support representatives to remotely view the computer of a Customer's user. By connecting through the internet or via intranets and extranets, support representatives will work in real time with Customer's users and quickly escalate to desktop sharing, which features mutual mouse and keyboard control and whiteboard capability.

## UKG Community

UKG provides Customers with access to the UKG Community, which includes access to how-to articles and discussion boards, as well as the ability to open support cases. The UKG Community helps Customers make the most of its UKG solutions by putting tools and resources at its fingertips in a collaborative, intuitive online space — a space that makes opening a case, accessing support, and viewing all Customer's account information easier than ever. Streamlined and searchable, the information Customers need is just a click away.

## Additional Support Options

As part of the Support Services, UKG may also provide:

- UKG Onboarding Experience: Step-by-step guidance to assist Customer during onboard activities
- Success Manager: A UKG resource to provide guidance on best practices in using Subscription Services
- Integration/API Support: Assistance with enhancing and updating existing APIs and integrations
- New Feature Review and Activation Assistance: Guidance on new features of Subscription Services and how to enable them
- Industry Best Practices Review: Review configuration and use of Subscription Services against industry peers and provide recommendations
- Configuration Review: Assistance with optimizing the use of Subscription Services based on your current usage patterns

**Exhibit “C-3” (also labeled as Exhibit 1): Acceptable Use Policy**

# Exhibit “C-3” (also labeled as Exhibit 1): Acceptable Use Policy

## Exhibit 1

### Acceptable Use Policy

This Acceptable Use Policy (this “Policy”) describes prohibited uses of the Services. In accordance with the Agreement, Customer agrees to use the Services in accordance with the latest version of this Policy.

#### 1. Prohibited Use.

Customer agrees that it shall not use the Services, nor authorize, encourage, promote, facilitate or instruct others including its authorized users or Affiliates to use the Services as set forth below:

PROHIBITED USE	DESCRIPTIONS AND EXAMPLES
(a) No Illegal, Harmful, or Offensive Use or Content	<p>Customer may not use, or encourage, promote, facilitate or instruct others to use, the Services for any illegal, harmful or offensive use, or to transmit, store, display, distribute or otherwise make available content that is illegal, harmful, or offensive. Prohibited activities or content include, but are not limited to:</p> <ul style="list-style-type: none"><li>• <b>Illegal Activities.</b> Any illegal activities, including advertising, transmitting, or otherwise making available gambling sites or services or disseminating, promoting or facilitating child pornography.</li><li>• <b>Harmful or Fraudulent Activities.</b> Activities that may be harmful to others, UKG's operations or reputation, including offering or disseminating fraudulent goods, services, schemes, or promotions (e.g., make-money-fast schemes, ponzi and pyramid schemes, phishing, or pharming), or engaging in other deceptive practices.</li><li>• <b>Infringing Content.</b> Content that infringes or misappropriates the intellectual property or proprietary rights of others.</li><li>• <b>Offensive Content.</b> Content that is defamatory, obscene, abusive, invasive of privacy, or otherwise objectionable, including content that constitutes child pornography, relates to bestiality, or depicts non-consensual sex acts.</li><li>• <b>Harmful Content.</b> Content or other computer technology that may damage, interfere with, surreptitiously intercept, or expropriate any system, program, or data, including viruses, Trojan horses, worms, time bombs, or cancelbots.</li></ul>
(b) No Security Violations	<p>Customer may not use the Services to violate the security or integrity of any network, computer or communications system, software application, or network or computing device (each, a “System”). Prohibited activities include, but are not limited to:</p> <ul style="list-style-type: none"><li>• <b>Unauthorized Access.</b> Accessing or using any System without permission, including attempting to probe, scan, or test the vulnerability of a System or to breach any security or authentication measures used by a System. Customer will not perform any security integrity review, penetration test, load test, denial of service simulation or vulnerability scan on any System.</li><li>• <b>Interception.</b> Monitoring of data or traffic on a System without permission.</li><li>• <b>Falsification of Origin.</b> Forging TCP-IP packet headers, e-mail headers, or any part of a message describing its origin or route. This prohibition does not include the use of aliases or anonymous remailers.</li><li>• <b>No Use of Robots.</b> Customer will not use any tool designed to automatically emulate the actions of a human user (e.g., robots)</li></ul>
(c) No Network Abuse	<p>Customer may not make network connections to any users, hosts, or networks unless Customer has permission to communicate with them. Prohibited activities include, but are not limited to:</p> <ul style="list-style-type: none"><li>• <b>Monitoring or Crawling.</b> Monitoring or crawling of a System that impairs or disrupts the System being monitored or crawled.</li><li>• <b>Denial of Service (DoS).</b> Inundating a target with communications requests so the target either cannot respond to legitimate traffic or responds so slowly that it becomes ineffective.</li><li>• <b>Intentional Interference.</b> Interfering with the proper functioning of any System, including any deliberate attempt to overload a system by mail bombing, news bombing, broadcast attacks, or flooding techniques.</li></ul>

PROHIBITED USE	DESCRIPTIONS AND EXAMPLES
	<ul style="list-style-type: none"> <li>• <b>Operation of Certain Network Services.</b> Operating network services like open proxies, open mail relays, or open recursive domain name servers.</li> <li>• <b>Avoiding System Restrictions.</b> Using manual or electronic means to avoid any use limitations placed on a System, such as access and storage restrictions.</li> </ul>
<b>(d) No E-Mail or Other Message Abuse</b>	Customer will not use the Service to distribute, publish, send, or facilitate the sending of unsolicited mass e-mail or other messages, promotions, advertising, or solicitations (like "spam"), including commercial advertising and informational announcements. Customer will not alter or obscure mail headers or assume a sender's identity without the sender's explicit permission. Customer will not collect replies to messages sent from another internet service provider if those messages violate this Policy or the acceptable use policy of that provider.

## 2. Monitoring and Enforcement

UKG reserves the right, but does not assume the obligation, to investigate any violation of this Policy or misuse of the Services. UKG may:

- investigate violations of this Policy or misuse of the Services; or
- remove, disable access to, or modify any content or resource that violates this Policy.

If Customer violates the Policy or authorizes or helps others to do so, UKG may suspend use of the Services until the violation is corrected or terminate the Agreement for cause in accordance with the terms of the Agreement. UKG may modify this Policy at any time upon written notice to Customer of a revised version.

UKG may report any activity that it suspects violates any law or regulation to appropriate law enforcement officials, regulators, or other appropriate third parties. UKG's reporting may include disclosing appropriate customer information. UKG also may cooperate with appropriate law enforcement agencies, regulators, or other appropriate third parties to help with the investigation and prosecution of illegal conduct by providing network and systems information related to alleged violations of this Policy.

## 3. Reporting of Violations of this Policy by Customer

If Customer becomes aware of any violation of this Policy, Customer will immediately notify UKG and provide UKG with assistance, as requested, to stop or remedy the violation.

**Exhibit “C-3” Acceptable Use Policy**



## **Exhibit “C-3” Acceptable Use Policy**

### **Exhibit 1**

#### **Acceptable Use Policy**

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#### **1. Prohibited Use.**

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<b>PROHIBITED USE</b>	<b>DESCRIPTIONS AND EXAMPLES</b>
<b>(a) No Illegal, Harmful, or Offensive Use or Content</b>	<p>Customer may not use, or encourage, promote, facilitate or instruct others to use, the Services for any illegal, harmful or offensive use, or to transmit, store, display, distribute or otherwise make available content that is illegal, harmful, or offensive. Prohibited activities or content include, but are not limited to:</p> <p><b>Illegal Activities.</b> Any illegal activities, including advertising, transmitting, or otherwise making available gambling sites or services or disseminating, promoting or facilitating child pornography.</p> <p><b>Harmful or Fraudulent Activities.</b> Activities that may be harmful to others, UKG's operations or reputation, including offering or disseminating fraudulent goods, services, schemes, or promotions (e.g., make-money-fast schemes, ponzi and pyramid schemes, phishing, or pharming), or engaging in other deceptive practices.</p> <p><b>Infringing Content.</b> Content that infringes or misappropriates the intellectual property or proprietary rights of others.</p> <p><b>Offensive Content.</b> Content that is defamatory, obscene, abusive, invasive of privacy, or otherwise objectionable, including content that constitutes child pornography, relates to bestiality, or depicts non-consensual sex acts.</p> <p><b>Harmful Content.</b> Content or other computer technology that may damage, interfere with, surreptitiously intercept, or expropriate any system, program, or data, including viruses, Trojan horses, worms, time bombs, or cancelbots.</p>

PROHIBITED USE	DESCRIPTIONS AND EXAMPLES
<b>(b) No Security Violations</b>	<p>Customer may not use the Services to violate the security or integrity of any network, computer or communications system, software application, or network or computing device (each, a “System”). Prohibited activities include, but are not limited to:</p> <p><b>Unauthorized Access.</b> Accessing or using any System without permission, including attempting to probe, scan, or test the vulnerability of a System or to breach any security or authentication measures used by a System. Customer will not perform any security integrity review, penetration test, load test, denial of service simulation or vulnerability scan on any System.</p> <p><b>Interception.</b> Monitoring of data or traffic on a System without permission.</p> <p><b>Falsification of Origin.</b> Forging TCP-IP packet headers, e-mail headers, or any part of a message describing its origin or route. This prohibition does not include the use of aliases or anonymous remailers.</p> <p><b>No Use of Robots.</b> Customer will not use any tool designed to automatically emulate the actions of a human user (e.g., robots)</p>
<b>(c) No Network Abuse</b>	<p>Customer may not make network connections to any users, hosts, or networks unless Customer has permission to communicate with them. Prohibited activities include, but are not limited to:</p> <p><b>Monitoring or Crawling.</b> Monitoring or crawling of a System that impairs or disrupts the System being monitored or crawled.</p> <p><b>Denial of Service (DoS).</b> Inundating a target with communications requests so the target either cannot respond to legitimate traffic or responds so slowly that it becomes ineffective.</p> <p><b>Intentional Interference.</b> Interfering with the proper functioning of any System, including any deliberate attempt to overload a system by mail bombing, news bombing, broadcast attacks, or flooding techniques.</p> <p><b>Operation of Certain Network Services.</b> Operating network services like open proxies, open mail relays, or open recursive domain name servers.</p> <p><b>Avoiding System Restrictions.</b> Using manual or electronic means to avoid any use limitations placed on a System, such as access and storage restrictions.</p>
<b>(d) No E-Mail or Other Message Abuse</b>	<p>Customer will not use the Service to distribute, publish, send, or facilitate the sending of unsolicited mass e-mail or other messages, promotions, advertising, or solicitations (like “spam”), including commercial advertising and informational announcements. Customer will not alter or obscure mail headers or assume a sender’s identity without the sender’s explicit permission. Customer will not collect</p>

PROHIBITED USE	DESCRIPTIONS AND EXAMPLES
	replies to messages sent from another internet service provider if those messages violate this Policy or the acceptable use policy of that provider.

## ***2. Monitoring and Enforcement***

UKG reserves the right, but does not assume the obligation, to investigate any violation of this Policy or misuse of the Services. UKG may:

- investigate violations of this Policy or misuse of the Services; or
- remove, disable access to, or modify any content or resource that violates this Policy.

If Customer violates the Policy or authorizes or helps others to do so, UKG may suspend use of the Services until the violation is corrected or terminate the Agreement for cause in accordance with the terms of the Agreement. UKG may modify this Policy at any time upon written notice to Customer of a revised version.

UKG may report any activity that it suspects violates any law or regulation to appropriate law enforcement officials, regulators, or other appropriate third parties. UKG's reporting may include disclosing appropriate customer information. UKG also may cooperate with appropriate law enforcement agencies, regulators, or other appropriate third parties to help with the investigation and prosecution of illegal conduct by providing network and systems information related to alleged violations of this Policy.

## ***3. Reporting of Violations of this Policy by Customer***

If Customer becomes aware of any violation of this Policy, Customer will immediately notify UKG and provide UKG with assistance, as requested, to stop or remedy the violation.

## **Exhibit 2**

### **EQUIPMENT ADDENDUM**

This Equipment Addendum ("Addendum") supplements the Agreement (as defined in the Order that incorporates this Addendum) by setting forth certain additional terms and conditions that apply to the purchase and/or rental of Equipment and Equipment Support Services (as applicable).

In the event of conflict or inconsistency between any provision contained in the Agreement and any provision contained in this Addendum, with respect to the purchase and/ or rental of Equipment and Equipment Support Services, the provisions contained in this Addendum shall prevail.

#### **1. Definitions.**

In this Addendum, capitalized terms shall have the meanings set out below. Capitalized terms not otherwise defined below have the meaning given to them in the Agreement.

**"Depot Exchange Service"** means the Equipment Support Services option where UKG ships a replacement unit on an advance exchange basis in accordance with the Section 6 below.

**"Depot Repair Service"** means the Equipment Support Services option where Customer has its own inventory of spare terminals and UKG repairs the terminal in accordance with Section 6 below.

**"Equipment"** means UKG equipment such as time clocks, that are included on the Order.

**"Equipment Description"** means the supplemental terms attached hereto as Exhibits for purchased Equipment or Rental Equipment, as applicable.

**"Equipment Documentation"** means Equipment specifications, such as user manuals and administrator guides, published by UKG via the UKG community portal, accessible at <https://www.ukg.com/support>.

**"Equipment Support Services"** means Equipment maintenance and support services option stated on the Order.

**2. Purchase or Rental Equipment.** Customer may purchase or rent Equipment from UKG and receive related Equipment Support Services if included on the Order. If Customer purchases Equipment, Exhibit A applies, and if Customer rents Equipment, Exhibit B applies.

**3. Payment and Invoicing.** The price payable by Customer for the purchase or rental of Equipment, and Equipment Support Services as applicable, is set out on the Order. Each Party shall pay shipping costs and fees pursuant to the shipping terms stated on the Order.

**4. Shipping and Title.**

**4.1 Shipping.** UKG shall ship Equipment to Customer in accordance with the following shipping terms, unless otherwise stated on the Order.

**4.2 Shipments to United States Destinations.** All shipments to or from Customer to destinations within the United States are FOB (Free On Board) Shipping Point, and the shipping party is responsible for all costs and risks of loss, except that for shipments from UKG to Customer utilizing UKG's preferred carrier, UKG is responsible for the risk of loss during shipment until delivery to the identified destination. For UKG's initial shipment of purchased Equipment to Customer destinations within the United States, title of the Equipment passes to Customer upon shipment to the identified destination.

**4.3 Shipments to Destinations Outside of the United States.** Shipments to Customer destinations located in countries where UKG or one of its affiliates has an office are DDP (Delivered Duty Paid), and UKG is responsible for all duties and Value Added Taxes (VAT). Shipments to Customer destinations located in countries where UKG or one of its affiliates does not have an office are DAP (Delivered At Place), and Customer is responsible for import clearance, all duties and VAT. Shipments to UKG from a Customer location outside of the United States are DDP, and Customer is responsible for all duties and VAT. For the initial shipment of purchased Equipment to Customer outside of the United States, title of the Equipment passes to Customer upon delivery to the identified destination.

**4.4 Title.** Title to rented Equipment shall always remain with UKG. Except as expressly provided in this Addendum, UKG has and shall maintain sole and exclusive ownership of all rights, title, and interest in the intellectual property of the Equipment and its firmware.

**5. Customer Responsibilities.**

**5.1 Use of Equipment.** Customer shall (i) use the Equipment in accordance with the Equipment Documentation, (ii) use UKG's carrier of choice when shipping any Equipment, and ensure that Equipment returned to UKG is reasonably packaged to prevent damage in transit, and (iii) remove Customer Data from Equipment before sending Equipment to UKG. UKG reserves the right to delete Customer Data from Equipment that it receives from Customer. Customer is solely responsible for the backup of Customer Data. Customer acknowledges and agrees that UKG shall have no liability for Customer's failure to backup Customer Data.

**5.2 Returning Equipment.** When returning Equipment as permitted by the Addendum, Customer shall (i) request a Return Material Authorization Number ("RMA") from UKG and place the RMA conspicuously on the outside of the return shipping package; and (ii) promptly return any failed Equipment. Customer acknowledges that any batch shipping of Equipment will result in a longer turnaround time and a surcharge to Customer.

**5.3 Restrictions.** In addition to the Use Restrictions set out in Section 2.2 of the Agreement, Customer will not, and will not cause or permit others to: (a) reverse engineer, disassemble, adapt, translate, or decompile the Equipment or any firmware component included with the Equipment, including, without limitation, any third party components, or otherwise attempt to derive source code, trade secrets, or knowhow from the Equipment, (b) probe, scan or test the vulnerability, or attempt to gain unauthorized access to the Equipment or its firmware, or (c) remove or alter any proprietary notices or marks on the Equipment or Documentation.

## **6. Support Services.**

**6.1 Description.** UKG shall provide Equipment Support Services as set forth in the applicable Equipment Description for rented or purchased equipment attached hereto.

### **6.2. Support Process.**

**(a) Troubleshooting and return.** In the event of an Equipment issue covered by the Depot Exchange Service or the Depot Repair Service, Customer shall notify UKG of such issue in writing and UKG will attempt to resolve the issue via remote support. However, if UKG deems an issue to require Equipment repair or replacement, UKG shall provide Customer with a RMA for such Equipment, and Customer will ship the applicable Equipment to UKG at a location specified by UKG.

**(b) Additional terms for Depot Exchange Service.** UKG will replace Equipment subject to Section 6.2(a). UKG will ship such replacement Equipment to the address provided by Customer. Upon receipt of such replacement Equipment, Customer shall package the defective Equipment using the materials provided by UKG for that purpose, display the RMA on the packaging in accordance with Section 5.2 above, and promptly return the Equipment to UKG. UKG may suspend the Depot Exchange Service if Customer does not return replaced Equipment to UKG within ten (10) business days of receiving the applicable replacement. In such event, UKG shall restore the service when Customer either (i) ships the replaced Equipment to UKG, or (ii) pays UKG the then-current UKG list price of the replaced Equipment. For the avoidance of doubt, the Depot Exchange Service will not be extended or otherwise affected by such suspension.

**(c) Additional terms for Depot Repair Service.** Subject to Section 6.2(a), Customer shall ship applicable Equipment to UKG. UKG will use reasonable efforts to repair the Equipment and ship it to Customer within ten (10) business days of receipt.

**(d) Device Software Maintenance.** If Customer has active Device Software Maintenance, UKG will provide Customer with service packs for the applicable Equipment (which contain system updates) available for download at UKG's community portal ("Equipment Service Packs"). Customer is responsible for installing Equipment Service Packs. UKG may verify if Customer has downloaded any Equipment Service Packs to which Customer is not entitled. Device Software Maintenance is included with Depot Exchange and Depot Repair, however, if Device Software Maintenance is purchased alone it does not include any repair or exchange services.

**(e) Per-event Repair Service.** Per-event rates apply to customers without an equipment support agreement. The Equipment will be returned by regular surface transportation. This service does not include Device Maintenance Software or Equipment Service Packs. Subject to Section 6.2(a), upon failure of installed Equipment, Customer shall ship such Equipment to UKG. UKG will attempt to repair any repairable defective item within fifteen (15) business days after receipt at the current per-event pricing.

**6.3 Spare Equipment.** For business continuity purposes, UKG recommends that Customer retains a sufficient number of spare Equipment, and it is Customer's sole responsibility to retain such Equipment.

**6.4 Exclusions.** UKG is not liable for, and the Equipment Support Services do not include, the repair of damages, and Customer will not attempt to return damaged Equipment, resulting from:

- (a) Any cause external to the Equipment including, but not limited to Force Majeure causes;
- (b) Customer's failure to continually provide a suitable installation environment (as indicated in UKG's published installation guidelines) including, but not limited to, adequate electrical power;
- (c) Customer's improper use, location, packaging, refinishing, management, maintenance or supervision of the Equipment or other failure to use Product in accordance with the Equipment Documentation;
- (d) Customer's use of the Equipment for purposes other than those for which they are designed or the use of accessories or supplies not approved by UKG;
- (e) Government imposed sanctions, rules, regulations or laws preventing the shipment of the Equipment; or

(f) Customer's repair, attempted repair or modification of the Equipment.

**7. Export.** Section 10.3 of the Agreement shall apply to the provision and use of Equipment under this Addendum.

## **8. Warranties.**

**8.1 Equipment Support Services.** UKG warrants that all Equipment Support Services performed under this Addendum will be performed in a good and professional manner.

**8.2 Equipment Service Packs.** UKG warrants that all Equipment Service Packs provided under this Addendum shall materially perform in accordance with the applicable Equipment Documentation for ninety (90) days after download by Customer, provided that Customer's use, installation and maintenance thereof conforms to the Equipment Documentation.

**8.3 Remedies.** To the extent permitted by Applicable Law, Customer's exclusive remedies for any breach of UKG's warranties outlined in this Addendum shall be, at UKG's option, the repair or replacement of the applicable Equipment Service Pack(s) or firmware update(s).

**8.4 Disclaimer.** Section 6.4 of the Agreement shall apply to the provision of Equipment under this Addendum. References to Services in such Section 6.4 shall be taken to mean Equipment for the purposes of this Addendum.

**8.5 Customer Warranty.** Customer warrants that it has obtained all the information it requires to fully evaluate the Equipment and determine that the Equipment is suited to its organization, needs and objectives. All Equipment will be supplied based upon the information provided by Customer or on behalf of Customer to UKG. Customer is responsible to provide all such information in a timely, complete and accurate manner. Customer will be responsible for any adverse effect that any Customer delay or instruction may have on the supply and operation of the Equipment.

## **9. Limitation of Liability.**

**9.1 Monetary Cap.** THE TOTAL AGGREGATE LIABILITY OF UKG IN CONNECTION WITH THIS ADDENDUM WILL BE LIMITED TO ACTUAL AND DIRECT DAMAGES PROVEN BY CUSTOMER. FOR RENTAL EQUIPMENT, UKG'S TOTAL AGGREGATE LIABILITY FOR ANY AND ALL CLAIMS IN CONNECTION WITH ANY SUCH EQUIPMENT WILL NOT EXCEED THE AMOUNT OF TOTAL NET PAYMENTS RECEIVED BY UKG FOR THE APPLICABLE EQUIPMENT IN THE TWELVE (12) MONTH PERIOD IMMEDIATELY PRECEDING THE DATE IN WHICH THE DAMAGES ARISE. FOR PURCHASED EQUIPMENT, UKG'S TOTAL AGGREGATE LIABILITY FOR ANY AND ALL CLAIMS IN CONNECTION WITH ANY SUCH EQUIPMENT WILL NOT EXCEED THE AMOUNT OF TOTAL NET PAYMENTS RECEIVED BY UKG FOR THE APPLICABLE EQUIPMENT FROM WHICH THE DAMAGES ARISE. UKG'S



TOTAL AGGREGATE LIABILITY FOR EQUIPMENT SUPPORT SERVICES AND EQUIPMENT SERVICE PACKS IS SUBJECT TO SECTION 9 OF THE AGREEMENT.

**9.2 Exclusion of Damages.** UKG WILL NOT BE LIABLE FOR ANY INDIRECT, CONSEQUENTIAL, INCIDENTAL, SPECIAL, OR PUNITIVE DAMAGES; FOR THE COST OF ACQUIRING SUBSTITUTE OR REPLACEMENT OF EQUIPMENT OR SERVICES; OR FOR ANY LOST OR IMPUTED PROFITS OR REVENUES, BUSINESS INTERRUPTION, LOST GOODWILL, OR LOST DATA RESULTING FROM OR RELATED TO THIS ADDENDUM, HOWEVER CAUSED.

**9.3 Applicability of Limitations.** THESE LIMITATIONS APPLY FOR ANY REASON, REGARDLESS OF ANY LEGAL THEORY AND FOR WHATEVER REASON LIABILITY IS ASSERTED, EVEN IF UKG HAS KNOWLEDGE OF THE POSSIBILITY OF SUCH DAMAGES AND WHETHER OR NOT SUCH DAMAGES ARE FORESEEABLE. INSOFAR AS APPLICABLE LAW PROHIBITS ANY LIMITATION ON LIABILITY HEREIN, THE PARTIES AGREE THAT SUCH LIMITATION WILL BE AUTOMATICALLY MODIFIED, BUT ONLY TO THE EXTENT SO AS TO MAKE THE LIMITATION COMPLIANT WITH APPLICABLE LAW. THE PARTIES AGREE THAT THE LIMITATIONS ON LIABILITIES SET FORTH HEREIN ARE AGREED ALLOCATIONS OF RISK AND SUCH LIMITATIONS WILL APPLY NOTWITHSTANDING THE FAILURE OF ESSENTIAL PURPOSE OF ANY LIMITED REMEDY.

## **10 Finger Scan (FS) and Facial Recognition (FR) Equipment.**

**10.1 FS/FR Warranty.** For Customer's use of Equipment containing finger scan sensor and/or facial recognition technology ("FS/FR Equipment"), Customer has the option to configure the FS/FR Equipment settings to capture or not, and to provide the option to its employees. Customer warrants that it will assess and will maintain its compliance with all applicable biometric privacy laws with respect to its use of FS/FR Equipment (including but not limited to undertaking a legitimate interest assessment, where required). If required by law, Customer further warrants that prior to using finger scan sensor and/or facial recognition technology in FS/FR Equipment it shall, where applicable : (i) obtain signed releases from employees consenting to the use of the applicable FS/FR Equipment for employee timekeeping purposes (where appropriate); (ii) issue policies to their employees and the public regarding its retention and destruction of the finger scan or facial recognition data, and (iii) shall expressly apply any releases, consents, or policies required by applicable law to UKG, its affiliates and its authorized subcontractors.

**10.2 FS/FR Responsibility.** CUSTOMER AGREES TO BE RESPONSIBLE FROM ANY AND ALL DAMAGES, LOSSES, LIABILITIES, COSTS, PENALTIES, AND FINES ACTUALLY AWARDED TO A THIRD PARTY AS A RESULT OF SUCH A FS/FR EQUIPMENT CLAIM. UPON RECEIPT OF NOTICE OF SUCH AN EQUIPMENT CLAIM, UKG SHALL BE ENTITLED TO PARTICIPATE IN THE DEFENSE OF SUCH CLAIM AND TO EMPLOY COUNSEL AT ITS OWN EXPENSE TO ASSIST IN THE HANDLING OF SUCH CLAIM, ON A MONITORING AND A NON-CONTROLLING BASIS; (II) CUSTOMER SHALL NOT SETTLE ANY

EQUIPMENT CLAIM ON ANY TERMS OR IN ANY MANNER THAT ADVERSELY AFFECTS THE RIGHTS OF UKG WITHOUT ITS PRIOR WRITTEN CONSENT; AND (III) UKG SHALL PROVIDE REASONABLE COOPERATION AND ASSISTANCE AT CUSTOMER'S SOLE COST AND EXPENSE.

## **Exhibit A**

### **Purchased Equipment Description**

This Purchase Equipment Description is supplemental to the Equipment Addendum and contains additional or different terms with respect to the purchase of Equipment and related Support Services by Customer.

#### **1. Definitions.**

In this Exhibit A, capitalized terms shall have the meanings set out below:

**“Initial Term”** – means the initial billing term of the Equipment Support Service as set forth in Section 4.2 below.

**“Renewal Term”** – means the renewal billing term of the Equipment Support Service as set forth in Section 4.2 below.

**“Term”** – means the Initial Term and any Renewal Terms, together.

- 2. Invoicing of Purchased Equipment and Support Services.** UKG shall invoice Customer for purchased Equipment and Equipment Support Services upon shipment of such purchased Equipment.

#### **3. Renewal and Termination.**

**3.1** Upon expiry of the Initial Term, the term of the Equipment Support Services will renew for successive Renewal Terms unless either Party notifies the other in writing of its intent not to renew at least thirty (30) days prior to expiry of the then-current Initial Term or a Renewal Term.

**3.2** The fees for Equipment Support Services may change on the commencement of each applicable Renewal Term, provided that UKG gives Customer at least thirty (30) days' prior written notice of such change through the renewal quote or invoice, and the fees for the same quantity of such Equipment and the same Equipment Support Service may increase as set forth in the Order over the previous year. The increased fees will be set forth in the applicable invoice.

#### **4. Support Services.**

**4.1 Option.** Customer may purchase the following Equipment Support Services packages:

- (a) Depot Exchange Service;
- (b) Depot Repair Service; or

(c) Device Software Maintenance.

Each package includes access to UKG online and phone support services. All Equipment of the same type, including spare Equipment (described in Section 6.3 of the Addendum), must be covered by the same Equipment Support Services package. If Customer requests Equipment support from UKG for Equipment not covered by Equipment Support Services, UKG's per-event rates will apply.

**4.2 Term.** Unless expressly agreed by the Parties in writing, the Initial Term and each Renewal Term of Equipment Support Services for purchased Equipment is one (1) year, with the Initial Term commencing upon the expiration of the warranty period described in Section 5 below and the Renewal Term commencing on the expiry of the Initial Term or the previous Renewal Term.

**5. Warranty.** Unless otherwise expressly agreed in writing, UKG warrants that purchased Equipment, under normal usage and with regular recommended Equipment Support Service, shall be free from defects in materials and workmanship, as set forth in the Equipment Documentation, for a period of ninety (90) days from the date of delivery of the purchased Equipment. This warranty is provided to Customer only, and does not apply to any Equipment: (a) damage or malfunction resulting from misuse, neglect, tampering, modification or replacement of any UKG components on any boards supplied with the Equipment, unusual physical or electrical stress, or any other cause besides normal and intended use; (b) use, installation or maintenance by Customer that does not conform to the applicable Equipment Documentation; or (c) malfunctions resulting from the use of a badge not approved by UKG. UKG's entire liability for a breach of this warranty shall be for UKG, at its option and cost, to repair or replace the affected Equipment, and, if UKG is unable to repair or replace within a reasonable time, then upon return of such Equipment to UKG, UKG will refund the amount Customer paid for the affected Equipment as depreciated on a straight-line basis over a five (5) year period.

## **Exhibit B**

### **Equipment Rental Description**

This Equipment Rental Description is supplemental to the Equipment Addendum and contains additional or different terms with respect to Equipment rented by Customer.

#### **1. Definitions.**

In this Exhibit B, capitalized terms shall have the meanings set out below:

**“Billing Start Date”** – means the date Equipment Rental Fees begin to accrue, as set forth on the Order.

**“Billing Frequency”** – means the invoice frequency of Equipment Rental Fees, as set forth on the Order.

**“Equipment Rental Fees”** – means the fees payable to UKG for rented Equipment, as applicable that are set forth on the Order.

**“Initial Term”** – means the initial billing term of the rented Equipment as set forth on the Order which commences on the Billing Start Date.

**“Renewal Term”** – means the renewal billing term of the rented Equipment as set forth on the Order.

**“Term”** – means the Initial Term and any Renewal Terms, together.

#### **2. Payment and Invoicing.**

UKG shall invoice Customer on the Billing Frequency indicated on the Order. The billing period of the Equipment Rental Fees will start on the Billing Start Date and will continue for the Initial Term. The Equipment Rental Fees include the cost of the Depot Exchange Service (as described below) for such Equipment.

#### **3. Renewal and Return**

**3.1** On expiry of the Initial Term and expiry of each Renewal Term, each as indicated on the Order, the Term of the rented Equipment will automatically renew for the duration indicated on the Order as the Renewal Term unless either Party notifies the other in writing of its intent not to renew at least thirty (30) days prior to expiry of the then-current Initial Term or a Renewal Term.

**3.2** The fees for rented Equipment may increase on the commencement of each applicable Renewal Term, provided that UKG gives Customer at least thirty (30) days' prior written notice

of such change through the renewal quote or invoice. The fees for the same quantity of such Equipment may increase over the previous year as set forth in the Order. The increased fees will be set forth in the applicable invoice.

**3.3** Within thirty (30) days of the date of termination or expiration of the Term, Customer shall, at Customer's expense, return all rented Equipment to UKG in the same condition as it was in when originally received by Customer, reasonable wear and tear excepted. Customer shall pay UKG the then-current list price of any rented Equipment that Customer fails to return as required under this Addendum.

**4. Ownership.** Rented Equipment is and shall remain the sole and exclusive personal property of UKG and will not become a fixture if attached to other equipment or real property. Customer shall not do or allow to occur anything which might adversely affect UKG's right, title or interest in the Equipment. Customer shall not sell or otherwise encumber rented Equipment and shall not make any alterations or remove rented Equipment from the place where such Equipment is originally installed without UKG's prior written consent.

**5. Support Services.** The Depot Exchange Service applies to all rented Equipment at no additional cost.

**6. Warranty.** Unless otherwise expressly agreed in writing, rented Equipment is provided "AS IS" with all faults. UKG's sole obligation for defective equipment shall be for UKG, at its option and cost, to repair or replace the affected Equipment, and, if UKG is unable to repair or replace within a reasonable time, then upon return of such Equipment to UKG, UKG will refund prepaid rental fees made by the Customer for use of affected Equipment after such return date.

**Exhibit “C-4” (also labeled as Exhibit 2): US Data Protection Addendum**

Exhibit 2

US Data Protection Addendum

This United States Data Processing Addendum ("DPA") is by and between (i) the UKG entity set forth in the Order that references the UKG Master Services Agreement, or any other currently effective agreement, (the "Agreement"), ("UKG"), and (ii) the person or entity who is named on such Order on behalf of itself as customer and Customer Affiliates based in the United States ("Customer") and is an addendum to the Agreement. Customer and UKG are referred to individually as a "Party" and collectively as the "Parties".

**WHEREAS**, in the course of providing the Services to Customer pursuant to the Agreement, UKG may Process Personal information on behalf of Customer, and the Parties agree to comply with the following provisions with respect to the Processing of Customer Personal information.

This DPA applies to the extent Customer and/or its Affiliates are subject solely to U.S. Privacy Laws. Should Customer become subject to any other privacy laws such as the EU General Data Protection Regulation, the Parties agree the processing of Personal information will be subject to UKG's international Data Protection Addendum located at <https://www.ukg.com/ukg-unified-dpa> unless otherwise agreed to in writing by the Parties. UKG shall comply with all U.S. Privacy Laws applicable to it as a "Service Provider" or in its role as a processor of Personal information. Customer shall comply with all U.S. Privacy Laws applicable to it as a "Business" or the controller of Personal information. Notwithstanding, UKG is not responsible for complying with U.S. Privacy Laws applicable only to Customer or Customer's industry.

**1. Definitions**

1.1 In this DPA, capitalized terms will have the meanings set out below. Capitalized terms not otherwise defined below will have the meaning given to them in the Agreement.

**"Affiliates"** means, as to UKG, those entities that are directly or indirectly controlled by UKG Inc.; and as to Customer, those Customer entities that directly or indirectly control, are controlled by, or are under common control with Customer and which are doing business in the United States. "Control" (in this context) means the possession, directly or indirectly, of the power to direct or cause the direction of the management and operating policies of the entity in respect of which the determination is being made through the ownership of the majority of its voting or equity securities, contract, or otherwise.

**"Applicable Laws"** means any applicable provisions of all U.S. laws, codes, legislative acts, regulations, ordinances, rules of court, and court orders which govern the Party's respective business operations. UKG shall comply with all Applicable Laws applicable to UKG in its role as a Data Processor Processing Personal information. For the avoidance of doubt, UKG is not responsible for complying with Applicable Laws applicable to Customer or Customer's industry. Customer shall comply with all Applicable Laws to Customer as a Data Controller

**"Core Subscription Services"** means UKG Pro, UKG Pro Workforce Management, UKG Ready, and UKG Pro People Assist and UKG Pro Document Manager offerings identified in the Order.

**"Data Subject"** means an identified or identifiable natural person.

**"Personal Information"** means Customer Data related to a Data Subject as defined under U.S Privacy Laws, including "personal information" as defined under the California Consumer Privacy Act ("CCPA") and any similar terms, such as "personally identifiable information".

**"Processing", "Process", "Processes" and "Processed"** means any operation or set of operations which is performed on personal information or on sets of personal information, whether or not by automated means, such as collection, recording, organization, structuring, storage, adaptation or alteration, retrieval, consultation, use, disclosure by transmission, dissemination or otherwise making available, alignment or combination, restriction, erasure or destruction.

**"Pseudonymized Data"** means the processing of Personal information in a manner that renders the personal information no longer attributable to a specific consumer without the use of additional information, provided that the additional information is kept separately and is subject to technical and organizational measures to ensure that the personal information is not attributed to an identified or identifiable consumer.

**"Services"** means Core Services and any other UKG Products and Services.

**"Subprocessor"** means any person (including any third party and any UKG Affiliate) appointed by or on behalf of UKG to Process Personal information on behalf of Customer in connection with the Agreement, a list of which is available on [ukg.com](https://www.ukg.com), and which is incorporated herein by reference.



**"UKG Processor"** means UKG or a UKG Subprocessor.

**"UKG Other Products & Services"** means Professional Services and UKG products and services other than Core Subscription Services, which are subject to the specific Supplement for UKG Other Products and Services available on [ukg.com](https://ukg.com).

**"U.S. Privacy Laws"** have the same meaning as in Applicable Laws and regulations concerning the privacy and security of information reasonably identifying or linked to an individual, including, without limitation, the California Consumer Privacy Act, Cal. Civ. Code § 1798.100 et seq. or its successor the California Privacy Rights Act, Cal. Civ. Code § 1798.100 et seq., and their accompanying regulations as promulgated by the California Attorney General or California Privacy Protection Agency, as then applicable (collectively the "CPRA"); the Colorado Privacy Act, Colo. Rev. Stat. § 6-1-1309 et seq. (the "CPA"); the Connecticut Data Privacy Act, Public Act No. 22-15 (the "CTDPA"); the Utah Consumer Privacy Act, Utah Code § 13-61-101 et seq. (the "UCPA"); and the Virginia Consumer Data Protection Act, Virginia Code § 59.1-571 et seq. (the "VCDPA").

## **2. Processing of Customer Personal information**

**2.1** UKG will only Process Personal information for the purpose, and in accordance with, the relevant Customer's instructions as documented in the Agreement and this DPA, unless Processing is required by the Applicable Laws to which the relevant UKG Processor is subject, in which case UKG to the extent permitted by the Applicable Laws, will inform Customer of that legal requirement before the Processing of that Customer Personal information. Schedule 1 to this DPA sets out certain information regarding UKG's Processing of Customer Personal Data.

**2.2** UKG will not: (i) Sell or Share (as both terms are defined under U.S Privacy Laws) any Personal information; (ii) retain, use, or disclose such Personal information for any purpose other than performing the Services, the business purpose stated in the Agreement or as otherwise permitted by the U.S. Privacy Laws; (iii) retain, use, or disclose the Personal information for a commercial purpose other than providing the Services unless otherwise permitted under the Agreement; (iv) retain, use, or disclose Personal information outside of the direct business relationship between Customer and UKG unless otherwise permitted under the Agreement; (v) combine Personal information UKG receives from, or on behalf of, Customer with personal information that it receives from, or on behalf of, another person or persons or collects from its own interaction with a consumer, provided that UKG may combine personal information to perform the Services or as set forth in the Agreement. UKG shall notify Customer if it makes a determination that it can no longer meet its obligations under U.S Privacy Laws and Customer may take reasonable and appropriate steps to stop and remediate the unauthorized Processing of Personal information. Customer may take reasonable and appropriate steps to ensure UKG uses Personal information collected pursuant to the Agreement and this DPA in a manner consistent with Customer's obligations under U.S Privacy Laws.

**2.3** Customer hereby (i) instructs UKG (and authorizes UKG to instruct each Subprocessor) to (a) Process Personal information; and (b) in particular, transfer Personal information to any country or territory as reasonably necessary for the provision of the Services and consistent with the Agreement, (ii) warrants and represents that it is and will at all relevant times remain duly and effectively authorized to give the instructions set out in this section on behalf of each relevant Customer Affiliate; and (iii) warrants and represents that it has all necessary rights in relation to the Personal information and/or has collected all necessary consents from Data Subjects to Process Personal information to the extent required by Applicable Law.

## **3. UKG Personnel**

UKG will take steps to ensure that access to Personal information is limited to those individuals who: (a) need to know or access the relevant Personal information as necessary for the purposes of providing the Services under the Agreement or to comply with Applicable Laws in the context of that individual's duties to UKG; and (b) are subject to written confidentiality undertakings or professional or statutory obligations of confidentiality.

## **4. Security**

UKG shall implement reasonable and appropriate safeguards to protect Personal information as set forth in Schedule 2 to this DPA and incorporated by this reference.

## **5. Subprocessing**

**5.1** Customer generally authorizes UKG to appoint Subprocessors in accordance with this Section 7, including without limitation those Subprocessors provided [herein](#) and any new Subprocessors. Subprocessors used for UKG Other Products and Services may be listed under each applicable Services Description or Order Form or in an addendum to this DPA.

**5.2** UKG will provide Customer with a mechanism to obtain notification of the appointment of any new Subprocessor, including material details of the Processing to be undertaken by the Subprocessor at least thirty (30) days before said Subprocessor carries out Processing activities on Customer Personal information on behalf of Customer. Customer may object, on reasonable data protection grounds, to any new Subprocessor by providing notice of an objection by email to

privacy@ukg.com to UKG within ten (10) days of Customer's receipt of notification of the addition of the new Subprocessor by UKG. In the event UKG, in its sole discretion, is unable to forego the utilization of a new Subprocessor that has been objected to for the Processing of Customer Personal information or is otherwise unable to reasonably address the Customer's objection within thirty (30) days of UKG's receipt of such objection from Customer, the Customer may terminate the impacted services upon written notice to UKG. This termination right is Customer's sole and exclusive remedy if Customer objects to any new Subprocessor and is not a termination for cause. UKG will cease providing the impacted services thirty (30) days following the notice of termination.

5.3 With respect to each Subprocessor, UKG will verify that the arrangement between UKG and the Subprocessor is governed by a written contract including terms which offer at least equivalent level of protection for Customer Personal information as those set out in this DPA.

## **6. Data Subject Requests**

6.1 If Customer receives a request from a Data Subject related to Personal information Processed by UKG, Customer can either: (a) retrieve the information necessary to fulfill the request from the Services; or (b) to the extent such information is not available to Customer through the Services, UKG will reasonably assist Customer in fulfilling the request upon written request.

6.2 If UKG receives a request from a Data Subject related to Personal information Processed by UKG, UKG will promptly redirect the Data Subject to its Customer and not respond to the request except on the documented instructions of Customer or as required by Applicable Laws to which UKG is subject, in which case UKG, to the extent permitted by the Applicable Laws, shall inform Customer of that legal requirement before UKG responds to the Data Subject request.

## **7. Personal information Breach**

7.1 UKG will notify Customer without undue delay and in accordance with U.S. Privacy Laws upon UKG or any Subprocessor becoming aware of a breach of security leading to the accidental or unlawful destruction, loss, alteration, unauthorized disclosure of, or access to, Personal information transmitted, stored or otherwise processed by UKG ("Personal information Breach") affecting Personal information, providing Customer with sufficient information to allow Customer to meet its obligations to report or inform Data Subjects of the Personal information Breach under the U.S. Privacy Laws.

7.2 In the event of a Personal information Breach, the Parties will reasonably cooperate with each other, and UKG shall take commercially reasonable steps to keep Customer informed as to the investigation, mitigation, and remediation of any such Personal information Breach.

7.3 Except as may be required by Applicable Laws, UKG will not notify Customer's affected Data Subjects about a Personal information Breach without Customer's prior written consent.

## **8. Deletion or Return of Customer Personal information**

8.1 Subject to Sections 9.2 and 9.3, following the latter of either (i) termination or expiration of the Agreement or (ii) cessation of the Processing of Customer Personal information, (the "Cessation Date"), UKG will, in accordance with the terms of the Agreement, promptly return or delete Customer Personal information that can be reasonably identified and extracted in accordance with the requirements of the relevant Applicable Laws.

8.2 Notwithstanding Section 9.1 above, each UKG Processor may retain Personal information to the extent and for such period as required by Applicable Laws, provided that UKG will ensure the confidentiality of all such Personal information and will ensure that such Personal information is only Processed as necessary for the purpose(s) specified in the Applicable Laws requiring its storage.

8.3 Upon receipt of written request from Customer, UKG will provide written certification to Customer that it has complied with this Section 9.

## **9. Audit rights**

UKG shall demonstrate appropriate technical and organizational measures to Customer throughout the term. Customer may exercise such audit right either personally or by appointing a third party, so long as said third party is acceptable to UKG and bound to confidentiality and non-disclosure obligations at least as stringent as Customer's obligations with respect to UKG Confidential Information as set forth in the Agreement. Customer is responsible and liable for any and all acts or omissions of any such third party. Customer may exercise such audit right on an annual basis with reasonable notice. Any such audits shall be limited to a robust customer due diligence package consisting of details on UKG's information security/risk practices, examination of the results of the annual AICPA SSAE 18 SOC 1 and SOC 2 Type II audits conducted by an independent third party, executive summaries of the annual penetration test results or verification of such testing through the SOC 2 report for Core Subscription Services, and reasonable access to knowledgeable personnel to discuss the controls in place, including a meeting at UKG corporate headquarters. In the event Customer requests support or information beyond the content described above, then, upon customer's audit request, the Parties will mutually agree on the terms of the audit plan, which shall include details regarding the scope, duration, fees, and

scheduling of the audit. In no event shall Customer or its designees be permitted to access UKG systems, network servers, scan summaries or activities logs.

**10. Law Enforcement Requests**

UKG agrees to notify Customer of any request from law enforcement authority or other governmental authority with competent authority and jurisdiction over UKG for disclosure of Customer Personal information processed under this DPA ("Disclosure Request") to the extent permitted by applicable law. UKG shall not respond to Disclosure Requests without notifying Customer and receiving written authorization from Customer to respond to such Disclosure Request, except as required under Applicable Laws or order of court or governmental authority with competent authority and jurisdiction over same.

**11. General Terms**

**11.1 DPA Priority.** Nothing in this DPA reduces UKG's obligations under the Agreement in relation to the protection of Personal information or permits UKG to Process (or permit the Processing of) Personal information in a manner which is prohibited by the Agreement. With regard to the subject matter of this DPA, in the event of inconsistencies between the provisions of this DPA and the Agreement, the provisions of this DPA will prevail.

**11.2 Claims.** Any claims brought under this DPA shall be subject to the terms and conditions of the Agreement, including but not limited to, the exclusions and limitations set forth in the Agreement.

**11.3 Severability.** Should any provision of this DPA be invalid or unenforceable, then the remainder of this DPA will remain valid and in force. The invalid or unenforceable provision will be either (i) amended as necessary to ensure its validity and enforceability, while preserving the Parties' intentions as closely as possible or, if this is not possible, (ii) construed in a manner as if the invalid or unenforceable part had never been contained there.

**11.4** This DPA supersedes all prior and contemporaneous representations, negotiations, and communications between the Parties relating to processing Customer Personal Data, including without limitation, any terms that may be imposed upon UKG by means of any "click-through", forms, applications, or any other terms and conditions which are presented to UKG in the course of UKG's engagement with Customer.

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**EXHIBIT C**  
**UKG Order Form and Fee Schedule**

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UKG Ready Monthly Subscription Service Fee shall be due annual in advance, invoiced sixty (60) days in advance of the Billing Start Date and annual anniversary in accordance with Order Form #Q-144308.

The Billing Start Date is: July 1, 2026.

Quote#: Q-144308 reproduced here



HR, Pay, & Workforce Management

## ORDER FORM

Quote#: Q-144308  
Expires: 31 Jan, 2026  
Sales Executive: Alison Mercier  
Effective Date: Effective as of the date of last signature of this Order

Order Type: Quote  
Date: 25 Nov, 2025

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Customer Legal Name:  
CITY OF ROCKVILLE

Ship To: CITY OF ROCKVILLE  
111 MARYLAND AVE  
ROCKVILLE, MD 20850 USA

Customer Legal Address:  
111 MARYLAND AVE, ROCKVILLE, MD 20850 USA

Bill To: CITY OF ROCKVILLE  
111 MARYLAND AVE  
ROCKVILLE, MD 20850 USA

Bill To Contact:

Ship To Contact: Dom Perez

Ship to Phone: 240-314-8454  
Ship to Mobile:  
Contact: Dom Perez  
Email: dperez@rockvillemd.gov

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Currency: USD  
Customer PO Number:  
Solution ID: 6044964  
Initial Term: 36 months from Billing  
Start Date  
Uplift Percent: 4 %

Shipping Terms: Shipping Point  
Ship Method: FedEx Ground  
Freight Term: Prepay & Add  
Renewal Term: 12 months  
Payment Terms: Net 30 Days

Billing Start Date: 07/01/2026

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## Services

Billing Frequency: Annual in Advance

Services	Quantity	PEPM	Monthly Price	Annual Price
UKG READY ACCRUALS MANAGER	1,300	USD 0.69	USD 897.00	USD 10,764.00
UKG READY ATTESTATION	1,300	USD 0.34	USD 442.00	USD 5,304.00
UKG READY INTEGRATION HUB	1	USD 0.00	USD 0.00	USD 0.00
UKG READY PEOPLE INSIGHTS	1,300	USD 1.00	USD 1,300.00	USD 15,600.00
UKG READY TIME	1,300	USD 4.14	USD 5,382.00	USD 64,584.00
<b>Total Price</b>			<b>USD 8,021.00</b>	<b>USD 96,252.00</b>

## Quote Summary

Item	Total Price
Minimum Monthly SaaS Service & Equipment Rental Fee	USD 8,021.00

Item	Total Price
Minimum Annual SaaS Service & Equipment Rental Fee	USD 96,252.00

## Order Notes:

This Order is subject to the Master Agreement No 24-6833 entered into between Cobb County Board of Commissioner ("Lead Agency") and UKG Kronos Systems, LLC ("UKG") effective as of July 14<sup>th</sup>, 2025 (the "Omnia Master Agreement No. 24-6833 ") and used by Customer as an Omnia Participating Public Agency.

The parties agree that Customer is migrating from their existing Workforce Central perpetual software licenses (the "Existing Applications") to the UKG Ready software as a service offering ("WFR SaaS"). Customer's Software Support for the Existing Applications shall continue, for up to two payroll cycles within 60 days after migration to WFR SaaS, but in no event beyond December 31, 2025 and shall terminate thereafter.

UKG Ready Monthly Service Fees shall be invoiced at the Billing Frequency indicated on this Order Form, commencing on the Billing Start Date. As of the Billing Start Date, UKG will credit Customer for any pre-paid but unused fees for Software Support for the Existing Applications. Customer may apply credits against any amounts owed to UKG by Customer until such credit is expended. Customer shall continue to pay the Software Support services fees on the Existing Applications until the Billing Start Date.

UKG Launch is based on the Launch Quantity of 1560

The Subscription Fees for the applicable monthly Minimum Quantities are due on the Billing Frequency stated on the Order Form and invoiced sixty (60) days in advance of the Billing Start Date and annual anniversary. To reconcile the actual employee counts, promptly following the end of each month starting from the Billing Start Date, UKG will invoice Customer for the actual number of employees in each month that exceeded the Monthly Minimum Quantity.

UKG is not implementing the Subscription Services under this Order and Customer is directly contracting with a third party for such



implementation. As such, any linked Statements of Work shall not apply to this Order. In the event Customer requires implementation assistance from UKG, the parties shall enter a separate Order for such services.

During Initial Term, Customer may terminate the Subscription Services for convenience upon ninety (90) days prior written notice. Upon termination Customer shall pay all the launch fees invoices and outstanding Subscription Services fees for the Subscription Services performed up to the effective date of termination.

IN WITNESS WHEREOF, the parties have caused this Order to be executed by their authorized representatives and shall be effective as of the date of the last signature below.

CITY OF ROCKVILLE		Kronos SaaShr, Inc.	
Signature:	_____	Signature:	_____
Name:	_____	Name:	_____
Title:	_____	Title:	_____
Date:	_____	Date:	_____
<p>The monthly price on this Order has been rounded to two decimal places for display purposes. As many as eight decimal places may be present in the actual price. Due to the rounding calculations, the actual price may not display as expected when displayed on your Order. Nonetheless, the actual price on your invoice is the true and binding total for this Order for purposes of amounts owed for the term. If you are tax exempt, please email a copy of your "Tax Exempt Certificate" to <a href="mailto:TaxExemption@ukg.com">TaxExemption@ukg.com</a> along with the quote number otherwise this order is subject to applicable taxes. The actual tax amount to be paid by Customer will be shown on Customer's invoice.</p>			



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**EXHIBIT D**  
**Intentionally Omitted**

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## **EXHIBIT E**

### **Insurance**

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Upon the execution of the contract by the City, the Contractor must obtain at their own cost and expense and keep in force and effect during the term of the contract including all extensions, the following insurance with an insurance company/companies licensed to do business in the State of Maryland evidenced by a certificate of insurance and/or copies of the insurance policies. Upon request, the Contractor must submit to the Purchasing Department, 111 Maryland Avenue, Rockville, MD 20850 a certificate of insurance prior to the start of any work. In no event may the insurance coverage be less than shown below.

Unless otherwise described in this Rider Agreement the successful contractor will be required to maintain for the life of the contract and to furnish the City evidence of insurance as follows:

#### **MANDATORY REQUIREMENTS FOR INSURANCE**

**A. Commercial General Liability**

UKG shall provide coverage on a Commercial General Liability Occurrence Coverage Form limits of \$1,000,000.00 each occurrence and \$2,000,000.00 annual aggregate. Limits may be achieved via a combination of primary and umbrella/excess insurance. Customer shall be included as an additional insured via blanket endorsement for General Liability and ongoing operations. Such protection shall be primary and non-contributory with respect to Customer's insurance, but only with respect to UKG's sole negligence. Upon written request, such blanket endorsement shall be provided to Customer.

**B. Workers' Compensation**

UKG shall provide Workers' Compensation Insurance as required by statute.

**C. Umbrella/Excess Liability**

Limits of liability of \$5,000,000 per occurrence.

**D. Automobile Liability**

Limits of liability of at least \$1,000,000 combined single limit, including but not limited to, all owned, hired and non-owned motor vehicles.

**E. Professional Liability/Errors & Omissions/Cyber Risk Liability**

UKG shall maintain coverage on a Professional Liability Form (or equivalent) in the amount of \$5,000,000 per claim with a \$5,000,000 annual aggregate.

**F. All Risk Property Insurance**

UKG shall provide All Risk Property Insurance in an amount not less than the full replacement cost of UKG' property.

#### **POLICY CANCELLATION**

No change, cancellation or non-renewed shall be made in any insurance coverage without 30 days prior notice of cancellation (10 days for non-payment) given to the Insured in accordance with policy.

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**EXHIBIT E**  
**Insurance**

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**CERTIFICATE HOLDER**  
**The Mayor and Council of Rockville**  
**(Contract #, title)**  
City Hall  
111 Maryland Avenue  
Rockville, MD 20850