

Payroll Terms and Conditions

Last updated June 15, 2023

These Payroll Service Terms (these “**Payroll Terms**”), together with the Terms of Service Agreement available at <https://asuresoftware.com/terms> (the “**Universal Terms**” and, together with these Payroll Terms, the “**Payroll Agreement**”), set forth the terms and conditions under which the applicable subsidiary of Asure Operations Inc. set forth on the applicable Order Form (“**Provider**”) agrees to provide to User certain payroll services and other related services as set forth on the applicable Order Form (the “**Payroll Service**”).

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

1. Payroll Terms Governed by Universal Terms.

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

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

THE UNIVERSAL TERMS, AVAILABLE AT WWW.ASURESFTWARE.COM/TERMS, CONTAIN IMPORTANT INFORMATION REGARDING LIMITATIONS OF PROVIDER’S LIABILITY, PROVIDER’S WARRANTY DISCLAIMERS, USER’S INDEMNIFICATION OBLIGATIONS, USER’S DUTY TO MITIGATE DAMAGES, THE LAW GOVERNING THE PAYROLL AGREEMENT, AND DISPUTE RESOLUTION PROCEDURES THEREUNDER.

2. Payroll Services.

Provided that User meets User’s payment obligations and complies with the terms of the Payroll Agreement, then as long as User is subscribed to the Payroll Services, Provider will provide User with the Payroll Services for the purposes of (i) calculating payroll and its associated liabilities for User’s business; (ii) processing payroll and making related payroll payments; (iii) making certain payroll tax payments and payroll tax filings electronically; and (iv) if applicable, sending wage garnishments, such as child support payments, to applicable local, state, or federal agencies. In performing the Payroll Services, including for

each of the foregoing purposes, Provider will rely on the information furnished by User, the Authorized Users or any authorized representatives, and Provider is not responsible or liable for any errors resulting from such reliance, as further described in Section 12 (Warranties and Limitations of Liability) of the Universal Terms. User may not use the Payroll Services on a professional basis for anyone other than User.

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

Prior to User's initial payroll processing date, User must submit the completed and executed documents Provider requires for providing the Payroll Service, including User's payroll and bank account information, any required federal, state, or local powers of attorney, and any additional information requested by Provider. The Payroll Service provided will be based on and is dependent upon information provided to Provider by User (including proof of federal, state, and local tax identification numbers). Failure to provide the required documents may adversely impact Provider's ability to perform the Payroll Service. User is also responsible for: (i) depositing any federal, state, and local withholding liabilities incurred prior to enrolling in the Payroll Service; (ii) submitting any payroll returns to tax agencies (state, federal, and/or local) that were due for payroll tax liabilities incurred prior to enrolling in the Payroll Service; and (iii) cancelling any prior payroll service or services of professional employee organizations/employee leasing companies.

In performing the Payroll Service, User acknowledges and agrees that (i) Provider is not acting in a fiduciary capacity for User and/or User's business; (ii) using the Payroll Service does not relieve User of User's obligations under local, state, or federal laws or regulations to retain records relating to User's data contained in Provider's files; and (iii) any information that Provider provides in connection with the Payroll Service is for informational purposes only and should not be construed by User as legal, tax, or accounting advice.

3. **Payroll Account.**

An Authorized User shall approve and submit the Entry Information (as defined below), thereby authorizing Provider to create and transmit credit or debit entries (the "**Entries**") necessary to process User's payroll and payroll tax transactions. User acknowledges that it is solely responsible for all Entry Information provided to Provider. User agrees to implement and maintain reasonable safeguards to protect against: (i) any unauthorized access to confidential information being stored, processed, or transmitted in connection with Entries, and (ii) submission of fraudulent Entries purportedly on User's behalf.

4. **Entry Information.**

"**Entry Information**" means any information provided to Provider in connection with the Payroll Services, including but not limited to information provided by User, Authorized Users, authorized representatives, User's employees, or User's independent contractors, including, but not limited to, the information used to calculate and pay employee payroll, track User's defined employee benefits, pay payroll taxes to applicable taxing agencies (including User's employer identification number(s), unemployment insurance tax rates, and employment tax deposit schedule), produce payroll tax returns and W-2 statements, and print checks on User's Online Account (if applicable).

Provider will notify User when all information necessary to begin the Payroll Services has been received and the enrollment process for the Payroll Services has been completed. Prior to submitting User's first payroll, User shall review the Entry Information for completeness and accuracy. User must correct or provide, respectively, any incorrect or missing Entry Information. User is fully responsible for the accuracy of all information User provides, submits, and/or approves (whether provided directly or through

Authorized Users or authorized representatives), and User is solely responsible for any Claims, including but not limited to Internal Revenue Service (“**IRS**”) penalties and/or interest, and other penalties and/or interest arising from the failure to timely provide and maintain accurate and complete Entry Information at all times.

User agrees that by submitting each payroll (including the first payroll): (i) User approves all Entry Information; (ii) User represents and warrants to Provider that no Entry Information submitted to Provider will result in Entries that would violate the sanctions program of the Office of Foreign Assets Control of the U.S. Department of the Treasury or any other applicable laws, rules, or regulations; (iii) User waives and releases any Claim against Provider arising out of any errors or omissions in the Entry Information which User has not corrected (whether directly or through Authorized Users or authorized representatives) or has not requested User to correct; and (iv) User acknowledges that any subsequent request for corrections will be considered special handling, and additional fees may be charged. Final responsibility for any audits or assessments rests with User. Provider will not have any responsibility for verifying the accuracy of any data User provides.

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

Provider, its employees, and agents will only collect, use, and disclose data furnished by User or produced by Provider under this Agreement in accordance with Provider’s Privacy Policy.

5. **Payroll Authorization.**

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

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

6. **User Funds.**

User must provide accurate and complete Entry Information and fund its Bank Account with amounts necessary to cover all required payments under the Payroll Agreement (including, without limitation, employee wage and salary payments, tax payments, and Provider fees) (“**Amounts Due**”) no later than

10:00 am Eastern Time three (3) banking day(s) prior to each applicable payroll direct deposit date, payroll tax deposit date, or other settlement or due date and time or such earlier date communicated by Provider in writing (the “**Funding Deadline**”). Provider may set off any amounts User owes to it against any amounts it owes to User in order for Provider to obtain payment of User’s obligations as set forth in the Payroll Agreement.

If User does not have sufficient funds in the Bank Account to pay the Amounts Due at the time required, or if User refuses to pay the Amounts Due, then Provider will not be able to pay out the Amounts Due to the applicable parties and will not be liable for any consequences or Claims directly or indirectly arising from such failure to pay, and Provider may (i) debit the Bank Account or any other account owned in whole or in part by User to pay disbursements, fees or charges, payroll taxes, or other amounts due; (ii) refuse to pay any unremitted payroll taxes to the applicable tax agencies, in which case the payroll tax liability will become User’s sole responsibility; (iii) refuse to perform further Payroll Services; and/or (iv) immediately terminate the Payroll Agreement. For any amounts due and unpaid, Provider may assess finance charges on such amounts and recover certain fees and costs of collection associated with such amounts in accordance with Section 4 (Fees and Payment) of the Universal Terms.

On or prior to User’s payroll direct deposit and/or payroll tax deposit date or other applicable settlement or due date, User authorizes Provider to initiate debit Entries to the Bank Account at the depository financial institution indicated by the routing number associated with the Bank Account that User provides to Provider (the “**Bank**”), and to debit the Bank Account in such amounts as are necessary to (i) fund User’s direct deposits; (ii) pay any fees or charges associated with the Payroll Services, including, without limitation, finance charges; (iii) pay User’s payroll taxes; (iv) pay any debit, correcting, or reversing Entry initiated pursuant to the Payroll Agreement which is later returned to Provider; (v) verify the Bank Account through a test deposit or debit authorization; and (vi) pay any other amount that is owing under the Payroll Agreement or in connection with the Payroll Services. These authorizations are to remain in full force and effect until Provider has received written notice from User of termination of any such authorizations in such time and such manner as to afford Provider and the Bank a reasonable opportunity to act upon such notice. Provider is not responsible for determining whether the bank accounts of any payors or payees have deposit or withdrawal restrictions.

User acknowledges that the origination of Automated Clearing House (“**ACH**”) transactions to the Payroll Account (as defined below) and the transmission of funds via ACH transactions to the payee’s account must comply with applicable laws, rules, and regulations, including the NACHA Rules.

User agrees that it will notify Provider, pursuant to NACHA Rules and federal regulations, if funding for User’s payroll is received from a foreign financial agency and of any Employees with non-U.S. addresses.

If User fails to deliver accurate and complete Entry Information or funds by the deadline set forth in this Section, Provider shall not be obligated to deliver the payroll on the scheduled payroll date. If User fails to maintain a sufficient balance in User’s Bank Account to cover all required payments under the Payroll Agreement then, in addition to all other remedies available at law, User shall pay Provider an insufficient funds fee in an amount to be reasonably determined by Provider. Provider may require certain payrolls to be funded by wire transfer or by other means providing immediately available funds if Provider in its sole discretion notifies User in writing. Any payroll tax liability in excess of \$100,000.00 in connection with any single payroll run must be received via wire transfer before the Funding Deadline.

7. **Failed Direct Deposits.**

In the event that a direct deposit payroll payment fails to be paid to the payee and Provider cannot ultimately successfully make a payment on User’s behalf to the payee, and the funds are returned to Provider (“**Unpaid**

Funds”), Provider will notify User of such Unpaid Funds and provide User with the appropriate details related to those funds. In addition, Provider will return the Unpaid Funds to User in accordance with Section 6 (User Funds). User, not Provider, is required to contact payees and/or otherwise resolve the Unpaid Funds. User acknowledges that User is responsible for complying with all applicable state unclaimed or abandoned property laws related to Unpaid Funds, and User hereby expressly releases Provider from all liability and Claims directly or indirectly arising from state unclaimed or abandoned property laws, including any applicable penalties and/or interest. Provider shall have no obligation to defend or otherwise indemnify User in the event of an audit, examination, assessment, or other enforcement action by a state related to the Unpaid Funds under its unclaimed or abandoned property laws. User may update the required wage and Entry Information as necessary to reflect any necessary changes in accordance with the provisions of these Payroll Terms to allow Provider to re-perform the direct deposit payroll payment on User’s behalf.

8. Certain User Agreements and Acknowledgements.

User is solely responsible for complying with federal, state, and local laws relating, but not limited to, employment laws and tax laws in connection with its use of the Payroll Services. User represents that any personal information as defined by applicable law or confidential information that is transferred by User to Provider is collected in accordance with all privacy laws. Provider is not liable for acts or omissions of User or its employees or agents.

User agrees that it will notify Provider if User receives any third-party notices, such as IRS penalty notices, which could affect Provider’s ability to effectively provide the Payroll Services or which could increase the likelihood that a Claim is brought against User or Provider in connection with the Payroll Services.

User understands and agrees that User is responsible for its own payroll, and that Provider, as User’s payroll processor in accordance with the User’s own instructions, will not be responsible or liable for actual deposit amounts or for interest, expenses, or additional claimed damages of any kind.

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

In the event that Provider erroneously credits an amount to the Bank Account in excess of the amount that should have been credited (the “**Excess Credit Amount**”), if any, then User shall promptly notify Provider as soon as it becomes aware of such erroneous credit. User authorizes Provider to debit any Excess Credit Amounts from the Bank Account, and if the Bank Account contains insufficient funds to cover the Excess Credit Amount, User agrees to promptly refund the Excess Credit Amount to Provider through other

payment methods that Provider may deem acceptable at its sole discretion.

Use of the Payroll Services is conditioned upon User's full compliance with this Agreement and all applicable laws, rules and regulations.

9. **Payroll Tax Services; Employee Direct Deposit Services.**

User delegates authority to Provider (and its affiliates) to pay appropriate payroll taxes and file payroll tax returns on User's behalf ("**Provider Tax Services**"). This authority includes, as applicable federal, state and most local taxing jurisdictions designated by User. Provider agrees to file these returns with the appropriate taxing authority in a timely manner. User is responsible for providing Provider with all appropriate documentation including without limitation account numbers, filing frequency, payment methods, filing methods and rates. Provider's initial impound of taxes shall constitute an election by User of Provider Tax Services, unless User affirmatively elects not to receive Provider Tax Services. If User elects not to receive Provider Tax Services, Provider will not pay any payroll taxes or file any payroll tax returns on behalf of User and User acknowledges and agrees that Provider shall have no responsibility or liability in connection therewith.

Provider shall have no responsibility or liability for performance (including tax deficiencies, penalties, or interest charges) if User has not provided (i) necessary powers of attorney, (ii) accurate, current, and adequate User Data and information to make the necessary payroll tax payments or tax filings or provides erroneous User Data or information, or (iii) sufficient funds in User's designated bank account to cover such payroll tax obligations or employee deposits.

Provider will assume responsibility for late payments to the degree that the error was caused by Provider. Responsibility for penalties or interest charges will only be accepted for those incurred in the quarter or portion of the quarter when Provider begins its function as tax agent. The responsibility will end when Provider ends its function as tax agent. It is also understood that errors or faulty returns may be caused by inaccurate information provided to Provider by User, User's staff, accountants, or other involved parties. If such is the case, Provider may be willing to help rectify the situation, but will not be responsible for any resultant tax deficiency, penalty, or interest charges. Additional fees may be charged by Provider to rectify such errors. For the avoidance of doubt, nothing contained in the Payroll Agreement relieves User of any tax liabilities or the payment of employee deposits. User shall be obligated to pay immediately any tax liabilities or employee deposits incorrectly computed, under withheld, or otherwise incorrectly processed, whether or not those tax liabilities or other processing errors are a result of the actions or inactions of Provider.

Each User employee who is eligible and desires to use the direct deposit services set forth in the Payroll Agreement will authorize User and Provider to initiate paperless credits for sums due and payable to him/her for deposit at the participating bank where his/her deposit account is maintained, hereinafter called "receiving bank". Such authorization will also authorize User and Provider to initiate either paper or paperless debits for sums due to User for erroneous credits or deposits at the receiving bank as governed by NACHA rules. User shall deliver to Provider signed copies of its employee's direct deposit authorization forms. User shall be solely responsible for ensuring that all account information for such employee remains current and correct and, in the event employee changes banks or accounts, User shall deliver an updated authorization form for such employee to Provider. User will retain all authorizations for a minimum of two (2) years following termination or revocation of the authorization.

As required by the federal government, Provider will utilize the Electronic Federal Tax Payment System ("**EFTPS**") to deposit the User's employment taxes. It is User's sole responsibility to notify Provider as to whether they are required by law to utilize this payment procedure. If User is required to file and/or pay

state and local taxes electronically, and is not registered, and Provider must resort to a manual option to pay User's taxes, any additional costs or fees charged or incurred will be paid by User. In addition, User shall comply with and be subject to NACHA rules and rules of the originating bank governing electronic funds transfer as such rules shall be in effect among participating banks and the Federal Reserve Bank. Provider will utilize the NACHA system to transfer funds between User and Provider.

User agrees Provider will withdraw the aggregate total of all payroll taxes from User's designated bank account on the date that is the Funding Deadline. These funds will be held by Provider until such taxes are due by state, local, and federal regulations. Should funds be inadequate or should a bank reversal occur due to insufficient User funds being available, Provider shall have no liability for late tax payment all of which shall be User's liability. Additionally, at Provider's option Provider may terminate User's Payroll Services without notice. Further, Provider at its option may withhold payment of taxes due until the funds are made available. No interest is earned and payable to User on any funds held by Provider. All amounts earned on such funds while held by Provider will be for the sole account of Provider.

10. **ACH Origination.**

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

After the Entry Information has been approved by an Authorized User and submitted to Provider for the purposes of initiating a payroll-related transaction (such action, to "**Submit**," and Entry Information that has been submitted in the foregoing manner, "**Submitted Entry Information**") and received by Provider, User may not be able to cancel or amend such Submitted Entry Information. Provider will use reasonable efforts to act on any cancellation or amendment requests it receives from an Authorized User prior to transmitting the Entries to the ACH or gateway operator, but will have no liability if the cancellation or amendment is not effected. User will reimburse Provider for any expenses, losses, fines, penalties, or damages Provider may incur in effecting or attempting to effect such a request. Except for Entries created from Entry Information that has been re-approved and re-Submitted by an Authorized User in accordance with the requirements of the Payroll Agreement, Provider will have no obligation to retransmit a returned Entry to the ACH or gateway operator if Provider complied with the terms of the Payroll Agreement with respect to the original Entry.

11. **ACH Transactions and Entries.**

All Payroll Services under the Payroll Agreement involving EFT and ACH services are subject to the NACHA Rules. Provider and User each agree to comply with the NACHA rules applicable to it with respect to the Payroll Services set forth in the Payroll Agreement.

Origination, receipt, return, adjustment, correction, cancellation, amendment, and transmission of Entries must be in accordance with the NACHA Rules. User acknowledges that User has had an opportunity to review, and agrees to comply with, and be bound by, the NACHA Rules. User expressly authorizes Provider to originate Entries, on behalf of User, to any government entity, User's employees, or any other third party in accordance with the Payroll Agreement.

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

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

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

User expressly acknowledges that Provider does not intentionally or knowingly engage in or support International ACH Transactions ("IATs"), as defined in the NACHA Rules. User represents and warrants that (i) the direct funding for the Entries originated by Provider on behalf of User does not come from or involve a financial agency office that is located outside the territorial jurisdiction of the United States; (ii) User will not instruct Provider to create, originate, or transmit Entries that use IAT as the Standard Entry Class Code (as defined in the NACHA Rules), or are otherwise required to be IATs under the NACHA Rules; and (iii) User will not engage in any act or omission that causes or results in Provider creating, originating, or transmitting an IAT or a payment that should have been categorized as an IAT pursuant to the NACHA Rules. Provider may, in its sole discretion, temporarily or permanently suspend providing the Payroll Services to User, without liability, if Provider has reason to believe that User has breached any of the foregoing representations and warranties in this paragraph. User acknowledges that User is the Originator (as defined in the NACHA Rules) of each Entry and assumes the responsibilities of an Originator under the NACHA Rules. User further acknowledges that under the NACHA Rules, Provider, as a Third-Party Sender (as defined in the NACHA Rules), is required to make certain warranties on behalf of the Originator with respect to each Entry. User agrees to indemnify Provider for any Claim which results, directly or indirectly, from a breach of such a warranty made by Provider on behalf of User, unless such breach results solely from Provider's own gross negligence or intentional misconduct. User also acknowledges that under the NACHA Rules, Provider is required to indemnify certain persons, including, without limitation, the ODFI (as defined in the NACHA Rules), for the Originator's failure to perform its obligations thereunder. User agrees to indemnify Provider for any Claims which result from the

enforcement of such an indemnity, unless the enforcement results solely from Provider's own gross negligence or intentional misconduct.

As required by the NACHA Rules, User grants Provider the right, at any time, to audit User's compliance with the Payroll Agreement and the NACHA Rules.