

# PAYROLL MANAGED SERVICES ATTACHMENT TO MASTER AGREEMENT

This Attachment is entered into between the entity from Our Group listed on the Order Form ("**We/Us**") and the customer identified in the signature block in the Order Form ("**You/Your**"). The provisions of the Master Agreement between the parties are hereby fully incorporated herein by reference. The Effective Date of this Attachment shall be the Effective Date in the Order Form. The parties agree to the following:

**1. DEFINITIONS.** Capitalised terms that are not otherwise defined in this Attachment shall have the meaning ascribed to them in the Master Agreement.

**"Acceptance"** means written confirmation from You that the Software performs the functions as detailed in the Service Level Agreement;

**"Agreement"** means this agreement including its Schedules;

**"Charges"** means any and all of the charges for the Payroll Services as specified in the Order Form;

**"Commencement Date"** means the date of the first live payroll run;

**"Default"** means any breach of the obligations of either party in connection with this Attachment and in respect of which such party is liable to the other hereunder;

**"Input Data"** means the information provided by You for each payroll run for processing by Us in the agreed format compatible with the Payroll Services;

**"Minimum Term"** means the period stated to be such on the Order Form and if no such period is stated, three (3) years commencing with the Commencement Date;

**"Payroll Services Handbook"** means the latest published version of the Payroll Managed Services – Service Handbook as issued by Us from time to time;

**"Payroll Services"** means the Payroll Managed Services as detailed in the relevant Service Level Agreement located at the Website. For the avoidance of doubt, the Order Form shall specify which Payroll Services You have selected from Us and the corresponding Service Level Agreement shall apply.

**"Service Level Agreement"** means the Payroll Managed Services document on the Website for each particular form of Our Payroll Services (Data Entry by Us, Data Entry by You, Business Continuity, etc) which includes a description and the related Service Levels.

**"Service Levels"** means the standards of service or service objectives specified in the Service Level Agreement which We are required to achieve in the performance of the Payroll Services;

**"Software"** means ABS OpenPeople Payroll (or any other appropriate payroll software at Our discretion), to be used by Us in carrying out the Payroll Services.

**"TUPE"** means the Transfer of Undertakings (Protection of Employment) Regulations 2006 and any subsequent amendment or statute replacing such regulations as it shall apply to this Agreement.

**"Website"** means in relation to Payroll Managed Services, the Customer Portal or any other web address We provide to You from time to time.

## 2. TIME AND TIMETABLE.

**2.1. Time.** The parties shall agree a date for the commencement of the Payroll Services. All dates and times are agreed in good faith and time shall not be of the essence.

**2.2. Extension of Time.** If the performance of this Attachment by Us is delayed by reason of Default by You or by Your employees or agents or by Your other contractors, We shall be entitled to a reasonable extension of time and to any reasonable additional costs which it can show were directly incurred as a result of the delay, provided always that We advise Your appropriate personnel in writing without undue delay.

**2.3.** If the performance of this Attachment by either party be delayed by reason of any event of force majeure, such party shall be entitled to a reasonable extension of time provided that the party so delayed notifies the other party in writing without undue delay. Neither party shall be entitled to any additional costs incurred as a result of such delay.

## 3. TERM AND TERMINATION

**3.1. Term and Renewal.** The initial term of the Payroll Services commences on the Commencement Date and continues for the Minimum Term set forth in the Order Form ("Initial Term"). Following the end of the Initial Term, the Payroll Services shall automatically renew continuously for successive 12 month periods unless otherwise specified in the Order Form ("Renewal Term") unless either party gives written notice at least 90 days prior to the end of the Initial Term or any Renewal Term, of its intention to terminate the Payroll Services. The pricing for the first twelve months of any Renewal Term shall be provided by Us in writing no less than 60 days prior to the end of the Initial Term or any Renewal Term. The Initial Term and Renewal Terms are collectively referred to as the "Term".

**3.2. Termination.** This Attachment in respect of Payroll Services may be terminated by either party in accordance with clause 8 of the Master Agreement. The clauses of this Attachment which expressly or impliedly have effect after termination will continue to be enforceable notwithstanding termination.

**3.3. Consequences of Termination.** In the event of the termination or expiry of this Attachment: (a) save where termination is a result of material breach by You, We shall repay forthwith to You any advance payments made by You relating to any Payroll Services not performed by Us in accordance with this Attachment; and (b) We shall cease to use and return all the Customer Data.. Should You require the Customer Data data to be returned in a particular format then We reserves the right to charge for such action.

**3.4. Early Termination Charges.** If this Attachment is terminated before the end of the Minimum Term (or any Renewal Term) other than by reason of default by Us, We may, without prejudice to any other rights and remedies invoice You for early termination charges. Such charges for the remainder of the contracted term will be calculated using the contracted monthly charge rate per payslip (plus any agreed fixed minimum charge per month where applicable) and the average payslip count for a period of six months prior to Your early termination request.

## 4. TRANSFER OF UNDERTAKINGS

You will keep Us indemnified in full against any costs, claims, obligations and liabilities whatsoever (including legal and other professional fees and expenses) whenever arising which We may incur in connection with the employment and/or termination of employment of any persons arising out of the application of TUPE to this Attachment and the Payroll Services provided hereunder.

## 5. SERVICE LEVELS

**5.1. Failure to meet Service Levels.** If We fail to achieve any Service Levels, We shall carry out a programme of corrective actions agreed at the time between the parties, such agreement not to be unreasonably delayed or withheld.

**5.2.** If, notwithstanding any corrective actions taken in accordance with clause 5.1, We persistently fail in any material respect, to achieve any Service Level, such failure shall be considered to be a material breach of Our obligations and shall entitle You to terminate this Attachment in accordance with the provisions of clause 3.2.

**5.3.** For the avoidance of doubt, We shall not be liable for failure to meet any Service Levels due to the occurrence of any event of force majeure.

**6. FEES.** Fees for Payroll Services and payment terms are specified in

the Order Form.

**7. WARRANTIES AND DISCLAIMERS.**

**7.1. Payroll Services.** Without prejudice to the disclaimers included in the Master Agreement, We warrant that the Payroll Services shall be performed using all reasonable skill and care and shall use personnel of appropriate skill and experience for performance of such services.

**7.2. Exclusion of Implied Warranties.** Except as expressly set forth herein, all conditions and warranties, express or implied, statutory or otherwise, (including, but not limited to, any concerning fitness for purpose), are hereby excluded to the extent permitted by law.

**7.3.** For the avoidance of doubt, the warranties disclaimers set forth in the

Master Agreement apply.

**8. LIMITATION OF LIABILITY**

Notwithstanding the provisions of clause 7 of the Master Agreement: (a) the liability of either party under this Attachment for any one Default resulting in direct loss of or damage to tangible property of the other party, or any series of connected Defaults resulting in or contributing to the loss of or damage to the tangible property of the other party, shall not exceed £250,000; and (b) the aggregate liability of either party under this Attachment for all Defaults, in respect of the implementation of the Payroll Services, other than those governed by paragraph (a) above, shall not exceed £50,000. All other provisions of clause 7 of the Master Agreement shall apply.