



## Master Services Agreement

This Master Services Agreement (this "Agreement") is entered into by **UKG Inc.** ("UKG") and **The County of Monterey**, a political subdivision of the State of California (hereinafter, "the County"), on behalf of Natividad Medical Center ("Customer") effective as of September 27, 2022 ("Effective Date"). "**Party(ies)**" means UKG or Customer, or both of them as the context dictates.

WHEREAS, UKG is engaged in the business of providing software, support and Software as a Service ("SaaS") type services, and Customer wishes to use the Services as set forth in an Order on a subscription basis.

NOW, THEREFORE, in consideration of the mutual covenants, terms and conditions set out herein and in the Exhibits, the Parties agree as follows:

### 1. Definitions

**Affiliate** - means any other person or entity which, whether directly or indirectly, Controls, is Controlled by or is under common Control with such party. "Control" means the ownership, directly or indirectly, of more than 50% of the voting shares of an entity, or otherwise the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of an entity.

**Applicable Law(s)** - means any applicable provisions of all laws, codes, legislative acts, regulations, ordinances, administrative rules, rules of court, and orders which govern the Party's respective business.

**Application(s)** - means those UKG software application programs set forth on an Order which are made accessible for Customer to use under the terms of this Agreement and the Order.

**Billing Start Date** – as set forth in an Order.

**Customer Data** – all non-public information, including without limitation, personally identifiable information, which Customer inputs into the Applications and all intellectual property rights thereto.

**Documentation** - means the published online specifications for the Applications, such as user manuals and administrator guides.

**Initial Term** - means the initial term of the Services as identified on an Order.

**Order** - means an order form mutually agreed upon and signed by UKG and Customer setting forth, among other things, the offerings ordered by Customer and to be provided by UKG and the fees to be paid by Customer.

**Renewal Term** - means the renewal term of the Services as identified on the Order.

**SaaS Services** - Consist of providing the necessary network infrastructure, computer hardware, third party software, database administration services and connectivity point at the SaaS Site.

**SaaS Site** - Location for the necessary software and hardware to provide the SaaS Services.

**Services** - The Applications, support and SaaS Services on a subscription basis as set forth in an Order.

**Taxes** - means all applicable taxes relating to the goods and services provided by UKG hereunder, including all duties and country, federal, state, provincial or local taxes (including GST or VAT if applicable) but excluding taxes on UKG's income or business privilege.

### 2. Billing

2.1 Customer agrees to pay UKG for all subscription fees, Launch fees, consulting services fees or other fees plus Taxes and UKG will invoice the fees as indicated on an Order. Unless otherwise agreed to on an Order, fees shall be invoiced as incurred. For each Order, the billing period of the fees will start as set forth in an Order and will continue for the time period indicated as the Initial Term on the Order. Customer will pay the fees on the payment terms and in the currency indicated on the Order via ACH or mail, or as otherwise set forth in an Order. Unless expressly provided in this Agreement, Customer payments are non-refundable. Unless Customer has provided UKG with valid evidence of tax-exemption, Customer is responsible for all applicable Taxes related to the Services and other items set forth on the Order.

2.2 All undisputed invoices and expense reimbursements are due net thirty (60) days from receipt of an invoice by Customer which Customer will review and approve such payment which such approved invoices and reimbursements will be certified for payment by the Monterey County Auditor-Controller to be due net (60) from such receipt of invoice by Customer. All disputes regarding invoices shall be made by Customer in good faith within thirty (30) days of Customer's receipt of invoice. All undisputed



invoices and expense reimbursements not paid within sixty (60) days after the date such amounts are due and payable, as set forth in the first sentence herein, shall bear interest at a rate of one percent (1%) per month.

2.3 UKG may utilize a script, program, sequence of instructions or functional equivalent to determine an accurate number of personnel using or having access to the Applications. The results of, and information obtained from, the electronic analysis shall be subject to the Confidential Information section outlined in this Agreement

2.4 UKG may increase the fees (not to exceed four percent (4%) per annum as further set forth in an Order. The increased fees will be set forth in the applicable invoice.

2.5 UKG will provide the Services to Customer during the entire Initial Term and each Renewal Term, as applicable, and as further set forth in the Order. Customer will pay for the Services for the entire Initial Term and each Renewal Term, as applicable, and as further set forth in the Order.

2.6 UKG may suspend the Services if any undisputed amount that Customer owes UKG is more than sixty (60) days overdue. UKG will provide Customer with at least ten (10) days prior written notice that the Customer's account is overdue before UKG suspends the Services. Upon payment in full of all overdue amounts, UKG will promptly restore the Services.

2.7 **Travel and Expenses.** Intentionally omitted.

### 3. Term, Termination and Effects of Termination

3.1 This Agreement commences on the Effective Date and shall continue in effect through the end of the Initial Term (defined as "commencing on the Effective Date through sixty (60) months from the Phase 1 Billing Start Date") unless terminated earlier in accordance with the terms hereof. Either party may terminate the Services and this Agreement to be effective at the expiration of the then current Term upon no less than sixty (60) days prior written notice. In the event the terms of a Renewal Term are not agreed upon by the Parties prior to the expiration of the Initial Term or any subsequent Renewal Term, if applicable, Customer's access and use of the Services (as defined in Section 5 Proprietary Protection and Restrictions) shall terminate immediately upon the expiration of the Initial Term or then current Renewal Term.

3.2 Termination. If either Party materially breaches any of its duties or obligations hereunder and such breach is not cured, within thirty (30) calendar days after written notice of the breach, which such notice shall contain reasonably sufficient detail regarding the alleged breach, then the non-breaching Party may terminate the Agreement or the applicable Order adversely affected by such breach.

3.3 Termination for Lack of Government Funding. Customer's payments to UKG under this Agreement are funded by local, state and federal governments. If funds from local, state and federal sources are not obtained and continued at a level reasonably sufficient to allow for Customer's purchase of the agreed upon indicated quantity of services under this Agreement, then Customer will give sixty (60) days written notice of this fact to UKG, and the obligations of the Parties under this Agreement shall terminate promptly, or on such date thereafter, as the Customer may reasonably specify in its notice, unless in the meanwhile the Parties enter into a written amendment modifying this Agreement. Notwithstanding anything to the contrary in the foregoing sentence, Customer will use reasonable efforts to obtain all necessary funding and/or approvals for funding to meet its payment obligations hereunder.

3.3 Effects of Termination. Upon Customer's written request, within five (5) business days of termination of this Agreement, UKG shall provide to Customer a copy of Customer's UKG Pro Pay and People Center data in a standard structured query language "SQL" server format via secured file transfer protocol "SFTP" server or similar method.

In addition, upon expiration or termination of this Agreement for any reason, UKG shall completely destroy or erase all copies of Customer's Confidential Information in UKG's possession in any form, including but not limited to electronic, hard copy or other memory device except for (i) Customer's Confidential Information contained in any backup which shall be retained for a term of up to ninety (90) days from the date of termination, or (ii) as otherwise set forth in this Agreement or in any Order.

### 4. Services

4.1 The Services which may be ordered under this Agreement will be detailed in an Order. Each Order will reference this Agreement, specify the type, quantity, and price of the offerings being purchased, payment terms, and be signed by the Parties. UKG may fulfill its obligations related to certain services through its Affiliates.

### 5. Proprietary Protection and Restrictions

5.1. UKG has and shall have sole and exclusive ownership of all rights, title, and interest in the Applications and all modifications and enhancements thereof (including ownership of all trade secrets copyrights, and intellectual property rights pertaining thereto). Customer is only permitted to use the Applications, for its own employees and the employees of its Affiliates and is not permitted to provide service bureau, data processing, time sharing services or to otherwise provide payroll or human resource record keeping for third parties.

5.2 To the extent that any third party software is provided herein, Customer agrees that it shall only use such software in conjunction with the Services. Customer acknowledges that it is prohibited from engaging in, causing, assisting or permitting, the reverse engineering, disassembly, translation, adaption or recompilation of the Services and any third party software and that



it shall not attempt to obtain or create the source code from the object code of the Services and third party software provided to it pursuant to this Agreement, unless explicitly permitted by applicable law.

5.3 Customer acknowledges that it will not use the Services or any third party software for any illegal purpose or activity. Customer agrees to comply with Applicable Laws. Further, the specific record retention schedules established under Applicable Laws applicable to Customer are the responsibility of Customer and are not the responsibility of UKG or the services being provided under the Agreement. UKG has no responsibility or liability for maintaining or retaining said records for Customer.

5.4 UKG hereby represents and warrants to Customer that the Services will not violate the patent, copyright, or other proprietary rights of any third party.

## **6. Ownership and Use of UKG Intellectual Property**

6.1 UKG materials and intellectual property in existence prior to this Agreement or created, developed or acquired during the term of this Agreement, including without limitation ideas, inventions, suggestions, Feedback or other information created as a result of UKG's efforts under this Agreement ("UKG Intellectual Property") are the sole and exclusive property of UKG.

6.2 Customer may provide suggestions, comments or other feedback (collectively, "Feedback") to UKG. Customer grants UKG a non-exclusive, world-wide, perpetual, as-is license to use the Feedback for any purpose, including the development and exploitation of its current and future products and services. Feedback is provided entirely "as-is", without warranties of any kind. In particular, Customer does not warrant it has sufficient rights to grant the foregoing license. All use of the Feedback is at UKG's sole risk and liability. UKG shall not identify Customer as the source of the Feedback. UKG waives any and all claims, now known or later discovered, that it may have against Customer relating in any way to the Feedback.

## **7. Customer Data**

7.1 Customer shall retain ownership of the entire right, title and interest in and to Customer Data. No ownership rights in such materials, data and information are transferred to UKG.

7.2 UKG shall maintain reasonable administrative, physical, and technical safeguards for protection of the security, confidentiality and integrity of Customer Data as more fully set forth in Exhibit B "Data Security and Privacy".

## **8. Product Support Services**

8.1 UKG shall maintain a product-trained and knowledgeable staff capable of rendering the Services set forth in an Order. UKG will use all reasonable diligence to correct verifiable and reproducible errors when reported to UKG.

8.2 UKG Product Support Services include (i) customer phone, email, and online support 24 hours a day/7 days a week, (ii) a designated account manager available between normal business hours (8:30 am to 5:30 pm Customer's time zone Monday through Friday), (iii) periodic enhancements and modifications to the Applications furnished by UKG, and (iv) federal, state and local tax payroll updates.

## **9. Assignment**

Except as set forth below, neither Party shall delegate or assign this Agreement or its rights or duties hereunder without the prior written consent of the other Party. Any purported delegation or assignment in violation of this Section will be void. Notwithstanding the above, either Party may, without the consent of the other, but with prior written notice, delegate or assign any and all of its rights and obligations hereunder to: (a) such party's Parent company or Affiliate or (b) any company that succeeds to substantially acquire all of a Party's business, provided, however that such delegee/assignee/successor as to Customer after the transfer or assignment, is not a competitor of UKG or its Affiliates e.g., a company providing human capital management services or workforce management services. In the event of delegation or assignment, as set forth in the foregoing sentence, then upon Customer's receipt of such prior written notice, communicate to UKG that Customer requires that the parties enter into an assignment and assumptions amendment thereto.

## **10. Force Majeure**

UKG shall not be liable for any delays in the performance of any of its obligations hereunder due to causes beyond its reasonable control, including, but not limited to, fire, epidemic or pandemic of contagious disease, strike, war, riots, acts of civil or military, judicial actions, acts of God, or any other casualty or natural calamity. In the event a force majeure event preventing UKG's performance hereunder continues for a period of five (5) business days and UKG fails to implement its business continuity program, Customer may terminate this Agreement, without payment of termination fee or penalty, by providing written notice to UKG. For the avoidance of doubt, in the event UKG's performance hereunder is the subject of a force majeure event, UKG shall refund any prepaid unused Subscription Fees which will reflect the period in which performance was affected.

## **11. Confidential Information**

11.1 Except as otherwise permitted under this Agreement, UKG and Customer will not knowingly disclose to any third party or make use of any Confidential Information during the term of this Agreement and for five (5) years thereafter, except for trade secrets which shall be held in confidence for so long as same constitutes a trade secret under Applicable Laws. For purposes of this Agreement, "Confidential Information" will mean non-public information of a Party to this Agreement, including Customer Data. In addition to the foregoing, the Parties agree to not, in any fashion, form or manner, either directly or indirectly, divulge, disclose or communicate to any person, firm, or corporation in any manner whatsoever any information of any kind, nature or



description concerning any matters relating to each other's business, including, but not limited to, the names of employees, Customer companies, its manner of operation, the nature, or descriptions of, its plans, processes or data of any other kind. Without regard to whether any or all of the foregoing matters would be confidential, the Parties hereto stipulate that as between them, the same are important, material and confidential. This Agreement shall not be deemed to prevent the disclosures of information after having received prior consent from the other Party, disclosures required by Applicable Law or a binding regulation, rule or order of a court, governmental or regulatory body having competent authority and jurisdiction over same, or disclosures to the parties' respective attorneys and accountants for legal and accounting advice. This section does not apply to information in the public domain at the time of disclosure, or which is or becomes publicly available without breach of the Agreement, or which is known to the Parties receiving it at the time of disclosure, or which is received from a third party who has not breached any agreement with the Party claiming confidentiality, or which is disclosed by the Party claiming confidentiality to third parties on a non-restricted basis. Notwithstanding anything to the contrary in this Agreement, although UKG remains responsible for the confidentiality obligations as set forth in this Agreement and for the acts of any service provider and/or sub-processor UKG retains in this regard, UKG reserves the right to have Confidential Information and/or Customer Data accessed by UKG's service providers, sub-processors and/or employees, some of whom may be outside the United States or Canada for the sole purpose of performing or upgrading services for the Customer. Confidential Information of UKG does not include information that is or becomes publicly known or available as a result of Customer's proper compliance with the California Public Records Act, except where such record or information of UKG has been marked as confidential and/or proprietary.

11.2 Customer agrees that UKG may use sub-processors to fulfill its contractual obligations under this Agreement. The list of sub-processors that are currently engaged by UKG to carry out processing activities on Customer Data on behalf of Customer can be made available to Customer upon Customer's written request. Customer hereby authorizes the engagement as sub-processors of all entities set forth in such list. Customer further generally authorizes the engagement as sub-processors of any other third parties engaged by UKG for such purposes. The foregoing authorizations will constitute Customer's prior written consent to the subcontracting by UKG of the processing of Customer Data if such consent is required under Applicable Law.

11.3 At least thirty (30) days before any new sub-processor will carry out processing activities on Customer Data on behalf of Customer, UKG will update the applicable list and provide Customer with a mechanism to obtain notice of that update. Customer may object, on reasonable data protection grounds, to any such new sub-processor by providing notice of such objection to UKG within ten (10) days of Customer's receipt of notification of the addition of the new sub-processor by UKG. In the event UKG, in its sole discretion, is unable to forego the utilization of any such objected to new sub-processor for the processing of Customer Data or is otherwise unable to reasonably correct or remedy 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 sub-processor.

11.4 When engaging any sub-processor UKG will enter into a written agreement with the sub-processor and such written agreement with the sub-processor will require the sub-processor to (i) have appropriate technical and organizational measures to meet the requirements of applicable data protection laws, (ii) be bound to confidentiality obligations at least as restrictive as those contained in this section of this Agreement, and (iii) UKG will remain responsible for the performance of the sub-processor's processing of Customer Data and compliance with applicable data protection laws.

## **12. STANDARD OF CARE, LIMITED WARRANTY**

12.1 UKG WARRANTS THAT THE SAAS SERVICES RENDERED WILL CAUSE THE APPLICATIONS TO SUBSTANTIALLY PERFORM IN ACCORDANCE WITH THE DOCUMENTATION. IN THE EVENT OF A BREACH OF THE FOREGOING WARRANTY, AS CUSTOMER'S SOLE AND EXCLUSIVE REMEDY, UKG WILL MAKE ALL NECESSARY CORRECTIONS TO REMEDY SUCH BREACH WITHOUT ADDITIONAL COST TO THE CUSTOMER.

12.2 PROFESSIONAL SERVICES PROVIDED HEREUNDER BY UKG WILL BE PERFORMED IN A MANNER CONSISTENT WITH THE STANDARDS AND THE GENERAL CUSTOMS AND PRACTICES OF THE INDUSTRY. EXCEPT AS OTHERWISE PROVIDED FOR IN AN ORDER, CUSTOMER MUST REPORT ANY DEFICIENCIES IN THE LAUNCH OR CONSULTING SERVICES WITHIN SIXTY (60) DAYS FROM THE DATE OF COMPLETION OF SUCH LAUNCH OR CONSULTING SERVICES.

12.3 THE WARRANTIES PROVIDED IN THIS AGREEMENT ARE EXCLUSIVE AND IN LIEU OF, AND UKG DISCLAIMS AND CUSTOMER WAIVES, ALL OTHER WARRANTIES, EXPRESSED OR IMPLIED, INCLUDING, WITHOUT LIMITATION, THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE. UKG FURTHER DISCLAIMS ALL WARRANTIES AND RESPONSIBILITY FOR THIRD PARTY SOFTWARE NOT EMBEDDED IN OR REQUIRED FOR THE APPLICATION TO SUBSTANTIALLY PERFORM IN ACCORDANCE WITH THE DOCUMENTATION, WHICH SHALL BE THE SOLE OBLIGATION OF THE PROVIDER OF THE THIRD-PARTY SOFTWARE. IN THE EVENT DISCLAIMER OF WARRANTY STATEMENTS ARE DISALLOWED IN THE APPLICABLE GOVERNING JURISDICTION, SUCH EXPRESS OR IMPLIED WARRANTIES SHALL BE LIMITED IN DURATION TO THE APPLICABLE WARRANTY PERIOD (OR THE MINIMUM PERIOD REQUIRED BY THE APPLICABLE LAW).

## **13. LIMITATION OF LIABILITY**

13.1 NOTHING IN THIS AGREEMENT SHALL BE TAKEN TO EXCLUDE OR LIMIT EITHER PARTY'S LIABILITY (A) FOR FRAUD OR FRAUDULENT MISREPRESENTATION; (B) FOR GROSS NEGLIGENCE, WILLFUL, OR CRIMINAL MISCONDUCT; (C) FOR DEATH, PERSONAL INJURY, OR TANGIBLE PROPERTY DAMAGE CAUSED BY ITS GROSS NEGLIGENCE; (D) CUSTOMER'S BREACH OF SECTION 5 (PROPRIETARY PROTECTION AND RESTRICTIONS); (E) ANY



AMOUNTS DUE AND PAYABLE BY CUSTOMER; (F) THE INDEMNIFICATION OBLIGATIONS SET FORTH IN SECTION 14 BELOW; OR (G) TO THE EXTENT THAT SUCH EXCLUSION OR LIMITATION IS NOT OTHERWISE PERMITTED BY LAW.

**13.2** SUBJECT TO SUBSECTION 13.1 TO THIS SECTION 13 OF THIS AGREEMENT, IN NO EVENT SHALL EITHER PARTY'S LIABILITY ON ANY CLAIMS FOR DAMAGES OR CHARGES ARISING OUT OF OR CONNECTED WITH THIS AGREEMENT EXCEED THE AMOUNT OF THE SUBSCRIPTION FEE PAID BY CUSTOMER FOR THE TWELVE (12) MONTH PERIOD IMMEDIATELY PRECEDING THE CLAIM.

**13.3** NOTWITHSTANDING THE FOREGOING LIMITATION FOR DIRECT DAMAGES, AS IT RELATES TO A BREACH BY UKG OF ITS CONFIDENTIALITY OBLIGATIONS UNDER THIS AGREEMENT, INCLUDING ITS OBLIGATIONS IN EXHIBIT B (DATA SECURITY AND PRIVACY) WHICH RESULTS IN A SECURITY INCIDENT, AS DEFINED IN SECTION 7 (DATA BREACH) OF EXHIBIT B, THE CUSTOMER'S SOLE AND EXCLUSIVE REMEDY SHALL NOT EXCEED ONE MILLION DOLLARS (USD\$1,000,000.00) IN AGGREGATE.

**13.4** EXCEPT FOR A BREACH BY CUSTOMER OF SECTION 5 (PROPRIETARY PROTECTION AND RESTRICTIONS), IN NO EVENT SHALL EITHER PARTY BE LIABLE FOR ANY LOST REVENUES OR LOST PROFITS, OR ANY SPECIAL, INCIDENTAL, CONSEQUENTIAL OR OTHER DAMAGES OF ANY NATURE WHATSOEVER HOWEVER ARISING, EVEN IF SUCH PARTY HAS KNOWLEDGE OF THE POSSIBILITY OF SUCH DAMAGES AND WHETHER OR NOT SUCH DAMAGES ARE FORESEEABLE.

#### **14. Indemnification**

UKG agrees to indemnify, defend, and hold Customer harmless from and against any and all actions, liabilities, damages, losses, expenses, demands, suits, fines, or judgments, in each case arising from a third party (collectively "Claims"), including reasonable attorneys' fees, costs, and expenses relating thereto, to the extent that such Claims arise out of or relate to a claim that any Services infringe or misappropriate any patent, copyright, trade secret, trademark or other proprietary right, provided Customer notifies UKG in writing immediately upon notice of the Claim and cooperates fully in the defense of such claim. UKG shall have full and exclusive control of any such defense and settlement of the Claim. Notwithstanding the foregoing, however, the Claims described in this Section will be apportioned between UKG and Customer on a comparative fault basis to the extent that Claims result from the negligence, gross negligence or willful acts of Customer.

If the Services become or is likely to become the subject of an infringement claim, then, in addition to defending the Claim and paying any damages and reasonable attorneys' fees as required in the indemnity above, UKG shall, at its option, expense, and in its sole discretion, either (a) immediately replace or modify the Services, without loss of material functionality or performance, to make it non-infringing or (b) immediately procure for Customer the right to continue using the Services pursuant to this Agreement or (c) if UKG fails to provide one of the foregoing remedies within forty-five (45) days of notice of the claim, after using commercially reasonable efforts, this Agreement shall terminate and UKG shall refund to Customer all prepaid unused Subscription Fees for the Services .

#### **15. Entire Agreement**

15.1 This Agreement, including the Exhibits, represents the entire understanding of the Parties with respect to its subject matter, and supersedes and extinguishes all prior oral or written communications between the Parties about its subject matter. Any Customer purchase order or similar document which may be issued with this Agreement does not modify this Agreement, and in case of conflict, this Agreement shall control. No modification of this Agreement will be effective unless it is in writing and signed by each Party.

15.2 In the event that any of the terms of this Agreement is, or becomes, or is declared to be invalid or void by any court or tribunal of competent jurisdiction, such term or terms shall be null and void and shall be deemed severed from this Agreement and all the remaining terms of this Agreement shall remain in full force and effect.

15.3 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.

15.4 Each Party hereby warrants and represents to the other that such Party has the full right, power and authority to enter into this Agreement and to perform such Agreement in accordance with its terms.

#### **16. Signatures; Counterparts.**

The Parties agree that any signature (including but not limited to any electronic symbol attached to, or associated with, a contract or other record and adopted by a person with the intent to sign, authenticate or accept such contract or record) hereto shall have the same legal validity and enforceability as a manually executed signature to the fullest extent permitted by applicable law, and the Parties hereby waive any objection to the contrary. This Agreement may be executed in any number of counterparts, each of which will be deemed an original, but all of which, taken together, shall constitute one and the same instrument.

#### **17. Survival.**

All provisions of this Agreement that by their nature are continuing will survive the termination of this Agreement, including those provisions which expressly survive termination of this Agreement shall also survive.



**18. Publicity**

Intentionally omitted.

**19. Governing Law**

This Agreement shall be governed by and construed in accordance with the internal laws of the state of California. The prevailing Party in any such action shall be entitled to recover its reasonable attorney's fees and costs from the non-prevailing Party. Each of the Parties hereto hereby waives any right to trial by jury in any suit or proceeding arising out of or relating to this Agreement.

**20. Insurance**

During the term of this Agreement, UKG shall maintain insurance coverage rated A "Excellent" by A.M. Best for the following risks in the following minimum amounts:

- Comprehensive General Liability Insurance: \$2 million aggregate; \$1 million per occurrence, including \$1 million personal injury.
- Business Auto: \$1 million combined single limit bodily injury and property damage liability.
- Umbrella: \$10 million aggregate, \$10 million per occurrence.
- Workers' Compensation: as required by statute.
- Errors and Omissions (includes Cyber Liability coverage): \$10 million aggregate, \$10 million per occurrence

UKG shall provide Customer with a certificate evidencing the above insurance coverage.

**21. Notices**

Notices will be effective when received in writing at the following addresses:

UKG Inc.  
2000 Ultimate Way  
Weston, FL 33326  
Attn: General Counsel  
Fax (954) 656-1006

Natividad Hospital  
1441 Constitution Boulevard  
Salinas, CA 93906  
USA  
Attn: Lawanda Janine Bouyea  
Email: bouyeaj@natividad.com

With copy to:  
County of Monterey  
Address: 168 West Alisal St.  
Salinas, CA 93901  
Attn: County Counsel  
Email:

**22. Status of UKG as Independent Contractor**

UKG shall devote such time and effort to the performance of the services it deems necessary to satisfactorily complete the Services. UKG shall be an independent contractor in the performance of this Agreement and shall not be deemed an employee or agent of Customer for any purpose whatsoever.

Neither Party shall have power to act as an agent of the other or bind the other in any respect.

**23. Workplace**

If UKG is requested by Customer to provide services on Customer's premises, Customer agrees to provide UKG personnel a safe workplace whose standards are consistent with that of its own employees. Customer also agrees to provide reasonable access to its facilities and key personnel necessary for UKG to perform the services. UKG personnel will observe all safety and other applicable rules in effect at such workplace, provided that reasonable notice of the rules has been supplied to UKG and such personnel.

**24. SaaS Services**

UKG will provide the SaaS Services at UKG's SaaS Site. UKG reserves the right to change the location of the SaaS Site if it deems necessary. At the SaaS Site will be the hardware and software necessary to run and support the Applications from a remote location(s). Customer acknowledges that the SaaS Services may change from time to time as is required by changes to normal business conditions. It is further understood by Customer that any changes to the SaaS Services will be applicable to all UKG's customers that are utilizing SaaS Services. UKG will make best efforts to publish such changes to the SaaS Services within a reasonable time frame to the UKG portal. In any event, UKG shall make changes that are equivalent or better and will not downgrade the products or services offered to Customer as of the effective date or an Order.

**24.1 UKG Responsibilities**

- Provide sufficient computer infrastructure, equipment, software, network bandwidth and security within the environment to allow the Customer access to the SaaS Services.
- Maintain, monitor and administer UKG's federated services infrastructure and, upon request, configure customer instances in the federation environment for UKG Pro SSO.



- Provide connectivity for the system administration users.
- Provide Customer with release upgrade schedule for the Applications.
- Assign roles and password protection to all system administration users identified by Customer as requiring system administration rights.
- Execute nightly maintenance procedures.
- Maintain business continuity environment and process, which are tested annually
- Execute scheduled cumulative backup procedures (and restore as necessary)
- Maintain application recovery procedures with a recovery point objective of 4 hours (except for Workforce Ready which is 6 hours)
- Maintain cumulative backups pursuant to UKG's standard retention policy
- Conduct capacity planning, track application and network utilization, forecast growth and the impact on network and infrastructure and size accordingly
- Perform system maintenance and upgrades for the Applications and all third party software required to deploy the SaaS Services.
- Perform SaaS infrastructure and network infrastructure maintenance on the following schedule for the production SaaS Site:
  - Perform system daily maintenance from 3:00 a.m. EST to 5:00 a.m. EST not to exceed a maximum of five (5) hours per month, except for Workforce Dimensions which shall be performed Thursdays from 12:01 a.m. EST – 4:00 a.m. EST and Workforce Ready which shall be performed Wednesday 12:01 a.m. EST – 4:00 a.m. EST and Saturday 12:01 a.m. EST – 6:00 a.m. EST and may include general release upgrades. No additional advanced notice provided.
  - NOTE: Customer may experience intermittent connectivity during these periods or may be restricted from access during these periods.
- Perform emergency maintenance, as required, when necessary. Where possible, UKG will use commercially reasonable efforts to provide advanced notification.
- UKG will provide Customer advanced notification of the following maintenance via the support portal.
  - Perform extended release upgrade window as required three (3) times per year on either Saturday or Sunday from 2:00 a.m. EST to 8:00 a.m. EST.
  - Perform extended system maintenance as required once per year on either Saturday or Sunday from 12:01 a.m. EST to 12:00 p.m. EST.

#### 24.2 Customer Responsibilities

- Identify the key contacts responsible for coordinating all activities related to the launch and ongoing operation of the Services.
- Provide the necessary infrastructure and/or software capabilities, network security and directory structure to establish and maintain a SAML 2.0 based single sign-on solution between Customer and UKG for UKG Pro SSO, if applicable.
- Provide UKG with a list of Customer system administration users that require access to the SaaS environment.
- Maintain Customer workstations, running a supported browser.
- Maintain Customer printer environment.
  - Note: MICR check printing requires HP compatible printers
- Maintain Internet connectivity to access SaaS Site.
- Customer shall notify UKG of events that permit changes to contractual terms, such as significant personnel growth, by providing UKG with thirty (30) days advanced written notice of its intention to use the Applications for the additional personnel so that UKG can ensure proper configuration of the Applications.
- Manage, monitor and maintain confidentiality, user security and privacy settings within the Applications for Customer's users, including, but not limited to, user identifications, password setup/change, account lockout frequency, enabling multifactor authentication, and enabling internet protocol filtering.
- Customer will be responsible to provide for the specified connectivity between the Customer's location(s) to the internet. Customer agrees that UKG will have no liability for and Customer will not be excused from any of its obligations under the Agreement as a result of the quality, speed or interruption of the communication lines from the Customer's location(s) to the internet.

## 25. Training

25.1 The training Services are included at no charge for the term of the Agreement and are as follows ("Training Services"):

- **Regional Classroom Training**  
UKG shall provide hands-on training at an UKG regional classroom training facility, pursuant to any published UKG training schedules and availability and provide a comprehensive agenda for all product training. Training will be facilitated by a trained and knowledgeable instructor. All expenses related to training the employees of Customer at a UKG regional classroom training facility, such as transportation, hotels, meals, etc., will be the responsibility of Customer.
- **Virtual Learning Environment Training**



UKG shall provide its live, hands-on classroom training, including a comprehensive agenda and facilitation by a trained and knowledgeable instructor, delivered to Customer's personnel via the Internet. Training is intended for the following audiences:

- o Core team training to help key functional and technical users make informed solution design and configuration decisions, and to provide fundamental product knowledge.
- o Application & system administrator to prepare functional and technical super users to perform their most common tasks in the solution.

• **Self-Paced Training**

UKG shall provide self-paced product training via the Internet.

**26. Exhibits:** The following Exhibits which are referred to herein and annexed hereto are incorporated into and made part of this Agreement (collectively, the "Exhibits"):

- Exhibit A Service Level Agreement
- Exhibit B Data Security and Privacy

IN WITNESS WHEREOF, the Parties hereby confirm and agree that this Agreement is effective at the date set forth above, that the persons signing below are duly authorized to bind the Parties under this Agreement, and that all terms and conditions have been agreed to:

County of Monterey

UKG Inc.

Signature:

Signature:



Name:

Name:

Janet Sims

Title:

Title:

NL Contract Administrator

Date:

Date:

8/31/2022 | 10:49 PM EDT

Approved as to form.

  
Chief Deputy County Counsel, 8/31/2022

**Exhibit A  
Service Level Agreement**

**1. Service Level for Production SaaS Services**

UKG's service level objective is to make the Applications available a minimum of ninety nine and three quarters percent (99.75%) of the time as measured over any one month, not to include maintenance as set forth in Section 24.1. ("Availability").

**2. UKG Customer Service Severity Level Summary**

UKG uses three (3) levels of priority to identify and track the severity of each service request submitted and its impact on the Customer's organization as set forth in the chart below. UKG reserves the right to update the chart below to reflect adjustments to UKG's processes and to enhance UKG's responsiveness to customer needs. In any event, UKG shall make changes that are equivalent or better and will not downgrade the products or services offered to Customer as of the Effective Date of this Agreement.

Severity Level	Description	Target Response Time
High	A critical Customer issue with no available workaround where the applications cannot be accessed, or where the applications are experiencing major system degradation, and any other related factors resulting in the customer not being able to process their payroll.	One (1) business hour or immediately via Rapid Response





Medium	A serious Customer issue which impacts ability to utilize the application effectively	Two (2) business hours or immediately via Rapid Response
Low	Non-critical problem generally entailing use and usability issues or "how to" questions	Within four (4) business hours



## Exhibit B Data Security and Privacy

### 1. Data Governance

- a. In the course of providing the Services, UKG may collect, transfer, store and use Customer Data, as defined in the Agreement. For these purposes, Customer Data may be transferred to or made accessible to (i) UKG personnel as is required to perform the SaaS Services in accordance with the Agreement and in accordance with applicable data privacy protection laws; (ii) third parties (including, but not limited to, courts, law enforcement, or regulatory authorities), where required by law, provided UKG will provide reasonable notice to Customer prior to any such disclosure if legally permissible and (iii) to the extent Customer purchases UKG Pro Benefits Administration, PlanSource Benefits Administration, Inc. solely for the purposes of providing UKG Pro Benefits Administration hereunder and in accordance with the standard SaaS environment, security set up, and other policies and procedures of PlanSource Benefits Administration, Inc. and not those of UKG.
- b. UKG shall maintain internal company wide policies and procedures addressing the secure storage and handling of Customer Data which shall comply with generally accepted industry standards.
- c. Customer grants to UKG and its affiliates a non-exclusive, perpetual, irrevocable, worldwide license to use, sample, collect, and compile Customer Data in aggregated, de-identified form for the purposes of providing or maintenance of, improvement to, and operation of the SaaS Services or for any new or different products or services. In addition, to the extent Customer purchases UKG Pro Employee Voice, Customer grants to UKG the right to sub-license to third parties (currently, Mercer (US) Inc.) the Customer Data, which includes the employee survey responses in a de-identified form for the purposes of improvements to the questions sets and bench marking data.
- d. UKG may fulfill its obligations related to Workforce Ready or Workforce Dimensions, as applicable, through its affiliate Kronos Incorporated ("Kronos") and Kronos' affiliated companies.

### 2. Privacy and Compliance

UKG represents and warrants that with respect to the collection, storage, transfer, and use of Customer Data it shall comply with (i) all applicable governmental laws, rules, and regulations, including, but not limited to, the European Union General Data Protection Regulations and the California Consumer Privacy Act ("CCPA"), if applicable, (ii) its privacy notice (available at <https://www.ultimatesoftware.com/privacy-notice>), and (iii) generally accepted industry standards, and shall only collect, store, transfer and use Customer Data if and to the extent required to perform services pursuant to the Agreement. In the event CCPA is applicable to the provision of services under this Agreement, UKG acknowledges and agrees that it is a service provider as defined under CCPA.

Customer is responsible for complying with the Acceptable Use Policy which can be found at: <https://www.ukg.com/policies/acceptable-use>. "Acceptable Use Policy" and "AUP" are interchangeable terms referring to the policy describing prohibited uses of the service as further described in the link. UKG and its third party cloud sub-processor reserve the right to review Customer's use of the service and Customer Data for AUP compliance and enforcement. If UKG discovers an AUP violation, and UKG reasonably determines that UKG must take immediate action to prevent further harm, UKG may suspend Customer's use of the service immediately without notice. In such event, UKG will contact Customer when UKG suspends the service to discuss how the violation may be remedied, so that the service may be restored as soon as possible. If UKG does not reasonably believe it needs to take immediate action, UKG will notify Customer of the AUP violation. Even if UKG doesn't notify Customer or suspend the service, Customer remains responsible for any such AUP violation. UKG will restore the service once the AUP violation is cured or as both Parties may agree.

### 3. Information Security Management Program

UKG shall maintain a documented, approved and implemented information security management program in accordance with generally accepted industry standard practices that include reasonable administrative, technical, and physical safeguards to protect assets and Customer Data from loss, misuse, unauthorized access, disclosure, alteration, and destruction. The information security management program will address the following areas: risk management, security policy, organization of information security, human resources security, asset management, access control, cryptography, physical and environmental security, operations security, communications security, system acquisition, development, and maintenance, supplier management, information security incident management, information security aspects of business continuity management, and compliance.

### 4. Data Protection

When working with Customer Data, UKG shall maintain the following:

- a. Designated security and privacy personnel and departments responsible for the development and implementation of the information security and privacy practices required by this Agreement and Applicable Law;
- b. Require background checks (including criminal) on its workforce;
- c. Implement reasonably appropriate security and privacy awareness training for all members of its workforce;
- d. Transfer and store Customer Data in an encrypted/secure manner;
- e. Shall not store Customer Data on unencrypted mobile devices or media, such as laptops, phones, USB drives, etc;
- f. Implement reasonably appropriate technical safeguards to protect Customer Data, such as firewalls, intrusions detection systems, logging and monitoring systems, access control systems and encryption;
- g. Restrict access to data, applications, systems, databases and networks to approved users with a business need/job responsibility.



- h. Reasonably timely de-provisioning, revocation or modification of user access to UKG's systems, information assets and Customer Data shall be implemented by UKG upon any change in status of employees, contractors, customers, business partners or third parties. Any change in status is intended to include termination of employment, contract or agreement, change of employment, transfer within the organization or change in SaaS Service delivery.
- i. Maintain procedures for data retention and storage, and backup/redundancy mechanisms. UKG will test the recovery of backups at planned intervals
- j. Implement reasonable physical safeguards to restrict physical access to Confidential Information, such as restricted access requiring authentication, and appropriate environmental controls. Physical security perimeters (which may include fences, walls, barriers, guards, gates, electronic surveillance, physical authentication mechanisms, reception desks and security patrols) shall be implemented to reasonably safeguard Customer Data and UKG's relevant information systems;

#### 5. Audit Reports and Security Assessments

- a. UKG will have, at a minimum, an annual site audit of UKG's information technology general controls including, but not limited to, information security, confidentiality and availability controls, performed by an independent third-party audit firm based on the recognized audit standard SSAE 18 SOC 1 and SOC 2 report or equivalent. UKG will make available to Customer for review, its SSAE 18 SOC 1 and SOC 2 report or equivalent after the report's publication by the independent audit firm. Customer agrees to treat such audit reports as Confidential Information under this Agreement. Any control exceptions noted in the SSAE 18 SOC 1 or SOC 2 report or equivalent will be addressed in the report with management's corrective action. With the exception of Workforce Ready, UKG maintains certification to ISO 27001 and ISO 27018 and will make the certificate of registration available to Customer upon request.
- b. UKG will have a network and application level penetration test conducted annually. This audit shall be performed by a recognized third-party audit firm engaged by UKG.
- c. Customer may also request a comprehensive due diligence package no more than once annually, which shall include a completed industry standard security and privacy due diligence questionnaire and other information on information security, privacy and compliance.

#### 6. Disaster Recovery

- a. UKG shall have a defined and documented business continuity/disaster recovery plan for recovery services provided to the Customer.
- b. Such plan shall provide for reasonable physical protection against damage from deliberate attacks as well as natural causes and disasters.
- c. Security mechanisms and redundancies shall be implemented by UKG to reasonably protect equipment from utility service outages (e.g., power failures, network disruptions, etc.).
- d. Telecommunications equipment, cabling and relays transferring data or supporting SaaS Services shall be reasonably protected by UKG from interception or damage and designed with redundancies, alternative power source and alternative routing.
- e. Such plan shall provide for appropriate backup facilities and technology that will permit transition of the services (from the previous night's backup date), with a maximum recovery time of 24 hours from declaration of a disaster to be operational and accessible to Customer.
- f. UKG shall conduct a test of such plan each year. Customer may request the annual high level summary of the results of such test.

#### 7. Data Breach

UKG will respond to, contain and remediate security incidents, using commercially reasonable efforts, on a 24/7 basis. UKG shall notify Customer of a Security Incident (as defined below) per Applicable Law upon becoming aware of a Security Incident involving Customer Data. A "Security Incident" is a breach of confidentiality, data integrity or a security compromise of a network or server resulting in the unauthorized access, use, transfer or acquisition of Customer Data. UKG shall inform Customer about Security Incident response activities in reasonable intervals until the Security Incident is resolved, which may include documenting and keeping Customer reasonably informed of all investigative and recovery efforts related to any such Security Incidents, including discovery, investigation and containment, recovery, use of data and experience for gap identification and process improvement, mitigation plans, and cooperation with law enforcement, if legally permissible, as reasonably appropriate.





**ORDER**

**Effective Date:** September 27, 2022

**Customer Legal Information:**

**Customer Legal Name:** County of Monterey  
**Customer Address:** 168 West Alisal St.  
 Salinas, CA 93901

UKG Representative: Spencer Crockett

**Customer Billing Information:**

**Account Name:** Natividad Medical Center  
**Customer Billing Address:** 1441 Constitution Boulevard  
 Salinas, CA 93906  
**Contact Name:** Lawanda Janine Bouyea  
**Contact Title:** Assistant Administrator  
**Contact Email:** bouyeaj@natividad.com  
**Contact Phone:** (831) 783-2701

UKG Division: West VP-MM Strat & SMB

**Billing Start Date:**

- Phase 1: "Active Use" (as defined in Section 5 below)
- Phase 2: twelve (12) months from the Phase 1 Billing Start Date

**Initial Term:** Commencing on the Effective Date through sixty (60) months from the Phase 1 Billing Start Date

**Renewal Term:** 12 months or by way of a mutually agreed upon amendment signed by both Parties sixty (60) days prior to the end of the expiration of the then-current term, as further set forth in the MSA.

**Commencing 12 months from the Phase 1 Billing Start Date the Subscription Fee per annum increase: 4.0%**

**Payment Terms:** Net 60 Days from receipt of an invoice certified for payment by the Monterey County Auditor-Controller (as further set forth in the MSA).

**Application Billing Frequency:** Quarterly in advance

**1. Applications:**

Applications	Minimum Quantity	Employee Type	Subscription Fee	Billing Start Date
UKG Pro People Center UKG Pro Workforce Management UKG Pro Advanced Scheduling UKG Pro Workforce Management Healthcare Productivity UKG Pro Absence	See Section 1.A below	Non-Compensated Employee	See Section 1.B below	Phase 1
UKG Pro Onboarding UKG Pro Document Manager UKG Pro People Assist	See Section 1.A below	Non-Compensated Employee	See Section 1.C below	Phase 2
UKG Pro People Center	0	People Center Employee	USD\$4.00	Phase 1
Access to the UKG Pro portal	0	Limited Access Employee	USD\$1.00	Phase 1
<b>Business Intelligence ("BI") Reporting Tools including: two (2) report administrators, eight (8) authors, fifty (50) consumers, and unlimited recipients.</b>				
<b>Online human resource and benefits library for two (2) users</b>				
<b>Great Place to Work Certification – Assess Tier (U.S. Only)</b>				
Please note that the UKG Pro Applications are in the process of being rebranded. References to the previous names (e.g. UltiPro Core) may appear in certain content, including the UKG Pro Online Documentation, invoices, this Order and the Master Services Agreement, while UKG works toward rebranding all content.				

**A. Minimum Quantity (for Non-Compensated Employees):**

- (i) During the period commencing on the Effective Date and continuing for twelve (12) months from the Phase 1 Billing Start Date, 1,600 Non-Compensated Employees per month; and then
- (ii) During the period commencing on the thirteenth (13<sup>th</sup>) month following the Phase 1 Billing Start Date and continuing thereafter, 2,300 Non-Compensated Employees per month



- B. Subscription Fee (for Non-Compensated Employees – Phase 1):**
  - (i) USD 17.74 per Non-Compensated Employee per month for each Non-Compensated Employee from 1-2,000; plus
  - (ii) USD 14.30 per Non-Compensated Employee per month for each Non-Compensated Employee from 2,001-2,500; plus
  - (iii) USD 8.75 per Non-Compensated Employee per month for each Non-Compensated Employee that exceeds 2,500
- C. Subscription Fee (for Non-Compensated Employees – Phase 2):**
  - (i) USD 5.00 per Non-Compensated Employee per month for each Non-Compensated Employee from 1-2,000; plus
  - (ii) USD 4.15 per Non-Compensated Employee per month for each Non-Compensated Employee from 2,001-2,500; plus
  - (iii) USD 2.80 per Non-Compensated Employee per month for each Non-Compensated Employee that exceeds 2,500
- D.** The monthly subscription amount (number of employees multiplied by the applicable Subscription Fee) may increase or decrease if the number of employees increases or decreases, but in no event shall the monthly Subscription Fee be calculated on less than the Minimum Quantity above.
- E. Employee Types:**
  - (i) **Non-Compensated Employees:** persons who are not compensated or paid using the Applications but will have access to the Applications set forth above that correspond to the "Non-Compensated Employee" Employee Type. The Parties will identify and designate the component company and/or pay group attributable to such persons.
  - (ii) **People Center Employees:** persons not receiving a check, advice of deposit or otherwise compensated by the Customer using the Applications as set forth herein.
  - (iii) **Limited Access Employees:** persons with a status of terminated who have access to the UKG Pro portal.

**2. Services**

Services	Launch Quantity	Total Price
Launch Fee	2,500	USD\$76,000.00

- A.** The Launch services are based on the Launch Quantity above. In the event that the number of Customer’s employees exceeds 110% of the Launch Quantity above as of the applicable Application live date, then Customer agrees to pay UKG \$185.00 per each additional employee. For clarification purposes, this additional Launch fee if applicable shall only be charged to Customer as of the applicable Application live date and Customer shall not be charged for any additional Launch fees subsequent to that date.

The Launch services shall be provided to Customer for only the services as set forth in the Launch Overview which is made a part hereof and incorporated by reference as Exhibit 1. Launch services outside of the scope of the Launch Overview shall be quoted to Customer and agreed upon by the Parties in writing.

- B.** Customer shall be provided with access to an online human resource and benefits library containing human resource content and tools for two (2) users (currently powered by HR360).

**3. Payment Terms**

**A. Subscription Fee:** The Subscription Fees for the monthly Minimum Quantity are due quarterly and invoiced thirty (30) days in advance of the quarter. To reconcile for actual employee counts, promptly following the end of each quarter term starting from the Billing Start Date, UKG will invoice Customer for the actual number of employees in each month of the previous quarter term that exceeded the Minimum Quantity.

- a. **Phase 1:**  
The amount of USD\$85,152.000 is due on the expiration of the Free Period and is payment for the quarter immediately following the Free Period (as such term is defined below).
- b. **Phase 2:**  
The amount of USD\$33,735.00 is due on the Phase 2 Billing Start Date and is payment for the quarter commencing on such date.

To reconcile for actual employee counts, promptly following the end of each quarter term starting from the Billing Start Date, UKG will invoice Customer for the actual number of employees in each month of the previous quarter term that exceeded the Minimum Quantity.

**B. Launch Fee**

The Launch Fee of USD\$76,000.00 shall be due and payable by Customer to UKG in two (2) installments. The first (1<sup>st</sup>) installment shall be in the amount of USD\$7,600.00 and is due on the Effective Date of this Order. The second (2<sup>nd</sup>) installment shall be in the amount of USD\$68,400.00 and is due on the Phase 1 Billing Start Date.

- 4.** Great Place to Work Certification – Assess Tier is subject to the Agreement and the supplemental terms located at: <http://www.ukg.com/supplement/GPTWCertification>



**5. Free Period Promotion**

Customer is migrating from its existing Kronos Workforce Central software as a service agreement dated June 14, 2018, as amended, for #6083270 and 675379-2 solutions (the "Existing Applications") to the UKG Pro People Center and UKG Workforce Management Applications ("SaaS Applications"). Customer's payment obligation for the Existing Applications will continue until the SaaS Applications are being used for production use ("Active Use"). That is, Customer remains obligated to pay for the Existing Applications until Active Use occurs. When Active Use occurs for an individual application that is an Existing Application, Customer's rights to use that individual Existing Application terminates. Customer's current agreement governing the Existing Applications continues to apply to the Existing Applications until all Existing Applications have been migrated to the SaaS applications, at which point that agreement, and Customer's rights to use all of the Existing Applications also terminates.

Upon Active Use of the SaaS Applications, Customer will receive twelve (12) free months ("Free Period") of the Phase 1 Applications that correspond to the Non-Compensated Employees. Following the Free Period, Phase 1 Subscription Fees (for the Applications that correspond to the Non-Compensated Employees) shall be invoiced at the Application Billing Frequency indicated on this Order. As of the date Active Use occurs, UKG will credit Customer for any pre-paid but unused Monthly Service Fees for the Existing Applications. Customer may apply any such credit against any amounts owed to UKG by Customer until such credit is expended. Customer understands that Customer remains responsible for payment of Monthly Service Fees on the Existing Applications until the Free Period start date. Failure to pay for Existing Applications until Free Period start date will void the Free Period. For the avoidance of doubt, the Free Period does not apply to the "People Center Employee" and "Limited Access Employee" Employee Types nor is it applicable to the Phase 2 Applications.

**6. General Provisions**

Unless otherwise indicated herein, this Order is subject to the terms and conditions of that certain Master Services Agreement between the parties effective as of the date of last signature of the Parties to such Master Services Agreement (hereafter "Agreement"). This Order, and the Exhibits attached hereto and made a part hereof, constitutes an integral part of the Agreement and represents, together with the Agreement, the entire understanding of the parties with respect to its subject matter, and supersedes and extinguishes all prior oral or written communications between the parties about its subject matter. All other terms and conditions of the Agreement are reaffirmed and remain unchanged by this Order. Capitalized terms not otherwise defined in this Order shall have the same meanings ascribed to them in the Agreement. Unless expressly provided for in this Order, in the event of a conflict between the provisions contained in the Agreement and those contained in this Order, the provisions contained in the Agreement shall prevail.

This Order is subject to applicable Taxes. The actual tax amount to be paid by Customer will be show on Customer's invoice. If you are tax exempt; please provide a copy of your "Tax Exempt Certificate".

If Customer is purchasing UKG Pro Workforce Management, Customer shall have access to the Boomi Software and Boomi AtomSphere Service which is the third-party software and service for the creation of integrations by Customer through UKG Pro Workforce Management: <https://www.kronos.com/workforce-dimensions/agreement/boomi-flow-down-provisions>.

The parties agree that any signature (including but not limited to any electronic symbol attached to, or associated with, a contract or other record and adopted by a person with the intent to sign, authenticate or accept such contract or record) hereto shall have the same legal validity and enforceability as a manually executed signature to the fullest extent permitted by applicable law, and the parties hereby waive any objection to the contrary.

The Parties executing this Order below certify that they have the proper authority to bind their respective entities to all terms and conditions set forth in this Order. The Parties hereby confirm and agree that this Order is effective at the Effective Date as set forth above and that all terms and conditions have been agreed to:

**County of Monterey**

**UKG Inc.**

Signature:

Signature:



Name:

Name:

Janet Sims

Title:

Title:

NL Contract Administrator

Signature Date:

Signature Date:

8/31/2022 | 10:49 PM EDT



## EXHIBIT 1 UKG Pro Launch Overview

This Launch Overview outlines the scope of services to be provided by UKG for the implementation of the Application(s) in the Order. UKG's professional services engagements are designed to help customers successfully implement UKG Pro Pay and People Center, as well as enable customers to easily layer additional UKG Pro Application(s) over time based on priorities, schedules, and resources.

The Launch Services described herein are fixed price based and subject to the terms and conditions of the UKG Order. Unless otherwise defined herein, words and expressions defined in the Order shall have the same meaning in this Launch Overview.

UKG's Launch methodology ("Launch") provides proven and repeatable processes that are supported with standard tools, templates and proven training paths that deliver a successful launch of the Application(s). UKG partners with the Customer throughout the Launch process performing tasks such as requirements workshops, system configuration, data conversion, interface development, testing cycles, production support, and project management.

With Launch, UKG uses its proven methodology to provide training and services to deploy the Application(s). Launch will be delivered as described in this document.

### **1. Introduction to Launch**

#### **Deployment Strategy**

The deployment of the Application(s) is a collaborative endeavor. UKG will work with Customer to determine the most logical and efficient deployment plan of the Application(s) based upon Customer's current environment, products purchased, Customer's available resources and other driving factors. This best practice approach will be tailored to Customer's business objectives. In all deployments, UKG Pro Pay and People Center will be deployed first and the project team members from UKG and Customer shall determine the deployment sequence of the additional Application(s) where applicable.

#### **Launch Methodology**

The Launch methodology provides a framework that generally describes how the project will progress from the start to finish. The project team follows this framework to transition Customer's existing Workforce Central human capital management and workforce management (where applicable) functions from Customer's legacy applications to the new UKG Application(s). UKG's deployment methodology includes the following phases:

**Welcome:** Preliminary preparation involves four basic elements: UKG's internal readiness and team assignments, Customer preparation, a project team initial kick off meeting and Application(s) access.

**Requirements:** UKG will perform a discovery process by interviewing the Customer's subject matter experts from different functional areas. Information that has been gathered during the requirements phase is used to determine the current system set up, the new system definition requirements and allow UKG to determine the best fit between the Customer's business requirements and the UKG Application(s).

**Build:** This phase is designed to configure Customer's Application(s), migrate employee data into UKG Pro People Center from legacy system and build interfaces. This is inclusive of all Application(s) intended to be deployed on Customer's first live date. This phase will also provide unit testing to ensure that each iteration delivers a fully configured component of the system.

**Test:** Testing includes functional testing, user acceptance testing, pilot testing and/or parallel testing as appropriate for the applicable Application(s).

**Go-Live:** This phase consists of UKG assisting the Customer with the first live processing, the rollout of the Application(s) and transition to support.





## 2. Roles and Responsibilities

A successful Launch assumes Customer participation throughout the project as referenced in the *Roles and Responsibilities* sections of this document. UKG and Customer's roles and responsibilities are described below.

A check mark in the grid below indicates each respective party's primary responsibilities. If there is a check under UKG and Customer columns, this means the task is a shared responsibility with UKG having primary responsibility to lead the task to completion.

<b>Project Management</b>	<b>UKG</b>	<b>Customer</b>
Manage the respective team's project resources, budget, and deliverables to ensure they are being met per the project timeline	√	√
Create weekly status reports and facilitate weekly status calls. Report out status to stakeholders	√	
Resolve project issues	√	√
Provide Customer communications and general project-related management activities	√	
Perform roll-out activities (change management/ train the trainer) for managers and employees		√
<b>Welcome</b>	<b>UKG</b>	<b>Customer</b>
Provide access to the Application(s) as contracted in the Order	√	
Facilitate the kick-off meeting	√	
Attend and participate in the kick-off meeting	√	√
Assist in defining necessary Customer resources and a training plan as part of the project plan	√	
Key project resources attend recommended training courses		√
<b>Requirements</b>	<b>UKG</b>	<b>Customer</b>
Gather all available policy and procedure documentation as well as completion of the data collection tool		√
Describe the expected solution, business processes and business rules for all employee groups		√
Facilitate rapid review, feedback, and signoff on all project documentation as required to meet project deadlines		√
Lead requirements meetings to gather business requirements	√	
Participate in requirements meetings to provide business requirements		√
Define project assumptions, risks and system configuration needs based on completed requirements and recommend configurations	√	√
Create a detailed scope document detailing the results of the requirements phase	√	
Provide Customer with a project scope and project plan with the summary of the requirements gathering meetings	√	
<b>Build</b>	<b>UKG</b>	<b>Customer</b>
Complete a company setup containing all of the business rules and complete unit testing to validate configuration	√	



Perform unit and functional testing	√	√
Share data mapping process and field specifications with Customer	√	
Provide data translations and field mapping defaults for all required fields		√
Provide source data for production processing in the UKG approved conversion table formats		√
Convert Customer data from UKG's conversion table format	√	
Review and approve converted data according to the agreed upon schedule		√
Create interfaces as defined in the <i>Launch Guidelines/Assumptions</i> section of this document	√	
Supply technical support required for system integration and data conversion	√	√

Test	UKG	Customer
Customer project team members to attend recommended training courses		√
Perform system testing	√	√
Perform interface testing	√	√

Go-Live	UKG	Customer
Assure that adequate end-user training has been completed before the use of the Application(s) in a production environment		√
Provide production support and post-live support for transition to UKG's Customer Support team	√	
Perform project wrap-up activities, including, closing open issues	√	√

### 3. Project Management Processes

**Defining the scope** is the process of reviewing all contract documents and confirming deliverables the project team will complete. The scope is defined during the discovery of Customer's business needs in the requirements phase.

**Planning for resources** is the process of assembling the project team. It is imperative that the proper resources with the right skills are available for specific tasks when needed. The resource plan is a combination of the roles and responsibilities detailed in the kickoff presentation and the project schedule.

**Developing the project schedule** is the process of creating a list of tasks and placing them in sequence with due dates. The project schedule also includes identifying critical tasks and milestones so the project team knows where to focus their efforts and can track their progress.

**Creating and maintaining an action log** is the process of creating and maintaining a list of open action items that have been identified but not resolved (an "Action Log"). An Action Log is maintained during the project.

**Facilitating status meetings** is the process of scheduling and executing recurring team meetings to review the project schedule, Action Log, and project risks. The purpose of the meeting is to present an overall status to the team. This process does not include working sessions to address open items. Working sessions to resolve items will be scheduled outside of the status meetings.

**Managing change** is the process of identifying, approving, and authorizing new scope to the existing project once the product deployment schedule has been agreed to and documented.



**Closing the project** is the process of confirming that all project deliverables have been delivered and accepted by an authorized team member.

#### 4. Training

Effective training is the key to high user adoption rates. Training that results in self-sufficient administrators, managers, and employees increases the efficiency of use of the Application(s) and Customer's business processes.

UKG's training model includes a role-based learning plan. Each role within Customer's organization has a specific set of courses required at specific points in Launch. Having role-based training classes ensures Customer's team members are trained on the processes they will use in their day-to-day interactions with the system. The timing of this training is key. UKG aims to provide the training with as little time between training delivery date and system usage as possible. This provides for Customer's users to have an opportunity to reinforce the training through real-life application before they begin to lose the skills gained in training. End users (i.e., Managers and Employees) use a train the trainer model for learning. Customer is responsible for train the trainer learning for their managers and employees unless otherwise agreed to by the Parties.

#### 5. Project Team Composition

Resource allocation and commitment are key drivers for a successful Launch. UKG uses employee resources and may use trained and approved consulting services resources ("Certified Partners") to assist in the performance of the Launch or consulting services under this Order Form. Customer hereby authorizes access by UKG, its affiliates, and Certified Partners to the Customer information necessary to perform such services which may include access to Customer's Confidential Information and Customer Data.

The team roles and key responsibilities are listed below. UKG will provide experienced industry experts specializing in specific areas of Launch. Customer will provide resources as described below in the Customer Team Resources section or as otherwise mutually agreed to in the project plan.

UKG Team Resource	Key Responsibilities
<b>Delivery Manager</b>	<ul style="list-style-type: none"> <li>• UKG Project Sponsor</li> <li>• Gains commitment for all project resources</li> </ul>
<b>Project Manager</b>	<ul style="list-style-type: none"> <li>• Primary Point of Contact</li> <li>• Responsible for achieving project objectives by coordinating with all project resources on the timely completion of project tasks</li> <li>• Develops and manages project schedule</li> <li>• Mitigates project risks</li> <li>• Communicates overall project status and provides project reporting</li> <li>• Serves as initial point of escalation for all project related issues and coordinates activities needed for resolution</li> </ul>



<b>HR/Payroll Consultant</b>	<ul style="list-style-type: none"> <li>• Primary UKG resource and functional expert</li> <li>• Customer's day-to-day point of contact for all human resource and payroll related service requests</li> <li>• Completes human resources and payroll configuration life cycle per the Launch methodology</li> </ul>
<b>Time Consultant</b>	<ul style="list-style-type: none"> <li>• Primary point of contact for all time application-related service requests</li> <li>• Completes time Application(s) configuration life cycle per Launch methodology</li> </ul>
<b>Talent/Compensation Consultant</b>	<ul style="list-style-type: none"> <li>• Primary point of contact for all talent and compensation application-related service requests:</li> <li>• Completes talent acquisition, talent, learning, employee voice, and/or compensation Application configuration life cycle per Launch methodology</li> </ul>
<b>Payment Services Subject Matter Expert</b>	<ul style="list-style-type: none"> <li>• Primary point of contact for payment services related activities</li> </ul>
<b>Technical Consultant</b>	<ul style="list-style-type: none"> <li>• Responsible for successful migration of source data provided by Customer</li> </ul>
<b>Integration Analyst</b>	<ul style="list-style-type: none"> <li>• Responsible for integration file creation and delivery</li> <li>• Works together with 3rd Party vendors to determine requirements for file automation; initiates and manages the setup of data exchange services</li> </ul>
<b>Strategic Technical Advisor (STA) – UKG Pro Workforce Management only</b>	<ul style="list-style-type: none"> <li>• The STA functions as the customer's single point of contact for technology related considerations</li> <li>• Engages with the customer's technical teams and UKG Technology Partners to assist with network infrastructure assessment, client access methods such as desktop, mobile, data collection devices and technology partner solutions</li> <li>• Advise, mentor and guide clients throughout solution implementation and adoption. The STA provides: Technical readiness plan, Clock migration plan, Successful SSO deployment, Technical guidance &amp; knowledge transfer</li> </ul>
<b>User Adoption Consultant – UKG Pro Workforce Management Only</b>	<ul style="list-style-type: none"> <li>• Advises designed customer resources to support the delivery of change management and user training for managers and employees</li> </ul>



Customer Team Resources	Key Responsibilities
<b>Executive Sponsor</b>	<ul style="list-style-type: none"> <li>• Customer Project Sponsor</li> <li>• Gains commitment for all project resources</li> <li>• Provides executive-level support to the project team</li> <li>• Ensures that the needs of the project team are well represented and met by the steering committee</li> </ul>
<b>Project Manager/Lead</b>	<ul style="list-style-type: none"> <li>• Primary Point of Contact</li> <li>• Responsible for achieving project objectives by coordinating with Customer project resources on the timely completion of project tasks</li> <li>• Communicates overall project status and provides project reporting to Customer Steering Committee if applicable</li> <li>• Serves as Customer’s initial point of escalation for all project related issues and coordinates activities needed for resolution</li> <li>• Channels the team’s activities toward application configuration and executing the project</li> </ul>
<b>HR Subject Matter Expert</b>	<ul style="list-style-type: none"> <li>• Customer’s primary HR representative and designated decision maker in the area of HR</li> </ul>
<b>Benefits Subject Matter Expert</b>	<ul style="list-style-type: none"> <li>• Customer’s primary benefit representative and designated decision maker in the area of benefits</li> </ul>
<b>Payroll Subject Matter Expert</b>	<ul style="list-style-type: none"> <li>• Customer’s primary payroll representative and designated decision maker in the area of payroll</li> </ul>
<b>Time Subject Matter Expert</b>	<ul style="list-style-type: none"> <li>• (if purchasing) Customer’s primary time representative and designated decision maker in the area of time tracking</li> </ul>
<b>Talent Acquisition Subject Matter Expert</b>	<ul style="list-style-type: none"> <li>• Customer’s primary talent acquisition representative and designated decision maker in the area of talent acquisition.</li> </ul>
<b>Talent, Learning and Compensation Subject Matter Expert</b>	<ul style="list-style-type: none"> <li>• (If purchasing) Customer’s primary talent, learning and compensation representative and designated decision maker in the area of talent and compensation.</li> </ul>
<b>System Admin/Owner</b>	<ul style="list-style-type: none"> <li>• Customer’s primary resource for system configuration, system knowledge, and application security</li> </ul>
<b>Technical Resource</b>	<ul style="list-style-type: none"> <li>• Customer’s primary resource for technical issues related to data conversion, integrations, and security</li> </ul>

**6. Launch includes:**

- Business needs analysis through requirements workshops, system configuration, data conversion, interface development, testing cycles (including 2 parallel tests), production support, and project management.
- Configuration of the Application(s) purchased under the Order.
- Customer training– as described in the Order
- Interface development – Configuration and scheduling of interfaces as listed in the Launch Guidelines/Assumptions section of this document.
- Data conversion – Conversion of the Customer’s data as described in the Launch Guidelines/Assumptions section of this document.

**7. Launch Guidelines/Assumptions**

The following assumptions and guidelines were used in preparing this Launch Overview:

- General Assumptions/Guidelines for this Exhibit:



- Application(s) in scope:
  - UKG Pro People Center
  - UKG Pro Talent Acquisition
  - UKG Pro Workforce Management – Timekeeping and Accruals
  - UKG Pro Absence
  - UKG Pro Workforce Management Healthcare Productivity
  - UKG Pro Advanced Scheduling
- The target Launch period is nine (9) months. All Launch services end when the agreed upon scope of services is completed or expire twelve (12) months after the first requirements meeting, whichever comes first. If additional services are required, they will be contracted separately.
- Customer will complete tasks as indicated in the roles and responsibilities of this document and as assigned in the final project plan by mutually agreed upon due dates.
- UKG will communicate with Customer's project manager, the appointed point of contact for Customer on this project. He/she will be responsible for all communications and project management among all Customer parties (staff, vendors, consultants) and for the escalation and resolution of any issues for the Customer.
- UKG will not be responsible for troubleshooting Application(s) or hardware not provided by UKG.
- Scope changes are subject to review and may impact the project timeline or cost. If additional work beyond the initial scope of this Launch Overview is required, Customer may be charged.
- Each module will have one (1) deployment (phase) for all employees. If additional phases are needed, additional fees may apply.
- Launch does not include customization to the Application(s). A customization is defined as any system change that extends the application beyond what is provided by the delivered Application(s). Additional fees will apply if a customization is required. Annual maintenance fees apply to all customizations. These fees are 15% of the cost of the customization.
- UKG Pro Pay and People Center Assumptions:
  - Data Conversion:
    - Customer will provide source data suitable for production processing in UKG approved conversion table formats. The data converted must map to existing UKG Pro Pay and People Center tables.
    - UKG will successfully convert the employee masterfile 1 time, the payroll opening balances up to 2 times and history (job history and check detail) one time. A successful conversion is one that balances with the source data provided. Data will be converted from 1 source HR/PR system. Additional sources may be used for conversion; however additional fees may apply.
  - UKG will create up to 15 of flat file interfaces listed below:
    - Banking (ACH/Positive Pay/EFT-CAN)
    - State New Hire Export
    - General Ledger Export
    - Timeclock Import and Export
    - Employee Benefit Providers (bi-directional, if needed, for setup of new benefits or communication of benefit changes to benefit providers): medical, dental, vision, health spending account, flexible spending account, disability (LTD/STD), COBRA, deferred compensation plan (i.e., 401k/RRSP-CAN)
- UKG Pro Workforce Management Assumptions:
  - User Adoption Assessment – A UKG User Adoption Consultant work with designated customer resources to ensure ongoing user adoption including:
    - Evaluation of user adoption needs
    - User Adoption Action Plan
    - Adaptable change management and user training templates
  - UKG Pro Timekeeping Project Assumptions:
    - 2 tenants (1 production and 1 non-production) are included in this deployment
    - UKG will conduct one solution development workshop with the Customer's project team to create one solution design for the Customer's organization.
    - Up to 42 employee pay groups
    - Employee pay groups are a group of employees who are governed by a set of similar workforce management policy rules (e.g., overtime, shift premiums, holiday zones, etc.)
    - Up to 2 Yes / No questions for employees to attest with workflows
    - Up to 5 Union CBAs (collective bargaining agreements)
    - Up to 10 accrual polices
  - UKG Pro Absence Project Assumptions:



- Comprehensive administration of leave cases
- Flagging of attendance violations and workflow structure to handle verbal and written actions pertaining to attendance standards
- Up to 4 attendance policies. Note that complex attendance business policies may require 2 or more attendance policies to fully implement. The in-scope policies apply to business policies.
- UKG Pro Workforce Management Healthcare Productivity
  - Deployment of industry best practice data views leveraging standard KPIs available in UKG Pro Workforce Analytics
    - Up to 20 data views
    - Up to 25 KPIs/metrics configuration
    - Up to 7 standardized reports
  - Pay code analysis and mapping to KPI requirements
    - Up to 100 pay code mappings with up to 20 mapping categories
  - Productivity Configuration to deliver:
    - Daily Productivity
    - Pay Period Productivity
    - Volume Detail
    - Employee Actual Hours (Labor Distribution)
    - Department Actuals
    - Productivity Detail Hours-PayPeriod
- UKG Pro Advanced Scheduling Project Assumptions:
  - Deployment of up to 10 different scheduling groups\* (e.g., departments)
  - Deployment of up to 5 locations using standardized configuration settings from the 10 groups.\*
  - 3 integration templates – Volume Import (census), modification for person import for scheduling entitlement variables & Skills and Certification Import
  - The scope is designed to focus the early phase of a scheduling roll-out on standardization of disparate processes. Scheduling groups are selected to be configured and assumed for standardization across locations, with best-practices recommendations provided by the UKG team.
  - Roll-out of additional groups/locations will be handled by the customer or in the alternative, additional roll-out services.
  - \*A schedule group typically has a 1 to 1 relationship with what would have been a paper schedule. It is a single schedule for a defined set of employees based on common tasks, skills, census/shift based, or other qualifiers.

## 8. Service Request

Requests for change to this Launch Overview or the project it covers must be submitted to your project in writing or in the form of an electronic service request.

Any of the following items will be considered out of scope and require a service request:

- Material changes in the scope or effort
- Material changes in the number or type of deliverables to meet the defined scope of effort
- Changes to the project resource requirements
- Changes to scheduled dates after acceptance of the project plan

UKG will estimate the time and fixed cost needed to implement the change and the impact it may have on the delivery of the project. UKG will perform the requested work once the service request has been completed and signed by the Customer.