

General Service Description

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GENERAL SERVICE DESCRIPTION

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1 INTRODUCTION

- 1.1 The Parties agree to work together in good faith, using reasonable commercial efforts in accordance with their obligations herein, to achieve the success of the Services.
- 1.2 No rights or licenses whatsoever for the source code of the Deel Local Payroll Application or any part thereof are granted by this Agreement.
- 1.3 Customer's rights in the Deel Local Payroll Application are limited to those expressly granted in this Agreement. All rights and licenses of any kind in and to the Deel Local Payroll Application not expressly granted to Customer are reserved by Service Provider.

2 DEFINITIONS

- 2.1 **"Shell Country or Shell Countries"** means a country for which the tax and legislative compliance configurations, calculations, and output, including legislative output, are not available on the Deel Local Payroll Application. In such countries, all calculations are performed manually, outside of the Deel Local Payroll Application and then captured as such, overriding all calculations that might have been performed programmatically on the Deel Local Payroll Application. Any reference to tax and legislative compliance configurations, correct calculations, and output, including legislative output, are specifically excluded from this agreement.

3 SERVICE DESCRIPTION

- 3.1 Service Provider will provide Payroll & HR application hosting and maintenance services to Customer.
- 3.2 Service Provider shall be responsible for all facilities, personnel, equipment, materials, gateway between the public internet and the Service, technical knowledge, expertise, supplies, and other resources necessary to provide the Services.
- 3.3 Services shall be rendered with promptness, due care, skill, and diligence.
- 3.4 Services shall be executed in a workmanlike manner, in accordance with the service levels.
- 3.5 Service Provider shall use individuals with suitable training, education, experience, know-how, competence, and skill to perform the Services.
- 3.6 Service Provider shall have the capacity, expertise, and ability in terms of equipment, materials, and know-how to provide the Services.
- 3.7 The operational detail of the Services to be provided are provided in more detail in the applicable General Service Description.
- 3.8 **Acceptable Use:** Customer shall use Service Provider's Service solely for its internal business purposes, in compliance with applicable law, and shall not:
 - 3.8.1 unless authorized in a Business Partner agreement, resell, sublicense, lease, time-share or otherwise make the Service available to any third party;
 - 3.8.2 send or store infringing or unlawful material;
 - 3.8.3 send or store malicious code;
 - 3.8.4 attempt to gain unauthorized access to, or disrupt the integrity or performance of the Service or the data contained therein;
 - 3.8.5 modify, copy, or create derivative works based on the Service;
 - 3.8.6 reverse engineer the Service;
 - 3.8.7 access the Service for the purpose of building a competitive product or service or copying its features or user interface;
 - 3.8.8 use the Service or permit it to be used, for purposes of product evaluation, benchmarking or other comparative analysis intended for publication without Service Provider's prior written consent. and;
 - 3.8.9 permit access to the Service by a direct competitor of Service Provider.

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4 LICENCE AND OBLIGATIONS TO USE THE DEEL LOCAL PAYROLL APPLICATION

- 4.1 Customer's information, or any derivatives thereof, contained in any of Service Provider's repositories shall be and remain Customer's sole and exclusive property.
- 4.2 Customer is responsible for all activities conducted under Customer's user logins and for Customer's user's compliance with this Agreement.
- 4.3 Customer shall use Service Provider's Service solely for its internal business purposes, in compliance with applicable law,

5 SERVICE PROVIDER RIGHTS AND OBLIGATIONS

- 5.1 Service Provider has the right, to serve operational announcements, with respect to its Services, on any of Service Provider's Services.
- 5.2 Service Provider may change, suspend, or end any Service, at Service Provider's discretion in accordance with this agreement, provided that written notification is provided to Customer and provided that any such change, suspension or termination of a functionality shall not prejudice or adversely impact on the provision of the Services.

6 WORK REQUESTS

- 6.1 Services outside of the scope of Support are classified as work requests.
- 6.2 Work Requests can include, but not be limited to, advanced queries related to legislative changes, new functionality requests, or specific configuration and enhancements.
- 6.3 Work Requests will only be executed upon, once the scope and costs have been pre-approved in writing by Customer.
- 6.4 Should Customer require on-site consulting such request will be deemed and fulfilled as a Work Request
- 6.5 If Customer raises a legislative query challenging/contesting Service Providers advice and procedures, requiring Service Provider to seek expert third party advice, such request shall:
 - 6.5.1 be treated as a Work Request;
 - 6.5.2 confirmation of the Work Request shall be done by Service Provider;
 - 6.5.3 be billable if Service Provider's advice and procedure are confirmed by the expert third party;
 - 6.5.4 billable charges will include all charges from the third party to Service Provider, as well as all time spent by Service Provider. Service Provider's time will be charged for per hour or part thereof.
- 6.6 Work requests will be chargeable at Service Provider's then current rates. All travel costs, accommodation, and subsistence, incurred in connection with a work request, will be for Customer's account.

7 SERVICE INFORMATION, LEGISLATIVE COMPLIANCE AND CALCULATIONS

- 7.1 Service Provider provides Customer with a legislative toolset and information on how to implement and apply the law. This specifically excludes Shell Countries, where applicable.
- 7.2 The role of Service Provider, subject to sub-clause 7.3.2, is to provide the Deel Local Payroll Application to facilitate compliance by Customer and legislative compliance therefor remains the responsibility of Customer.
- 7.3 The Parties agree and Customer acknowledges that:
 - 7.3.1 the information contained on Service Provider's website provides legislative information and guidance regarding the adherence to tax guidelines for employers;
 - 7.3.2 the Services to be provided by Service Provider shall be limited to the calculations of employees' income tax liability and national statutory payroll contributions and as such does not address, and is not meant to address, the entire body of local law, specific collective agreements and Customer or industry specific regulations governing payroll calculations and process, or employment law;

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- 7.3.3 it is Customer's responsibility to absorb, understand and apply this advice as well as cross check that Customer is satisfied that the calculated figures are correct;
- 7.4 The Parties further agree that:
- 7.4.1 laws and regulations change frequently, and their effects can vary based upon interpretation, the number of employees, labour regulations, and other specific facts and circumstances;
- 7.4.2 Service Provider shall obtain information with regards to any applicable legislative changes in for the countries for which the Deel Local Payroll includes legislative and tax configuration, excluding Shell Countries;
- 7.4.3 Service Provider shall update the advisory information periodically if such information becomes available;
- 7.4.4 Customer shall inform Service Provider should tax authorities amend or announce new tax regulations and Customer has not received an update to the Deel Local Payroll Application pertaining to such tax amendments from Service Provider. It however remains the Service Provider's responsibility to update the Deel Local Payroll Application with such changes.
- 7.5 Service Provider has developed a process to monitor that legislation changes are collated, interpreted, programmed (following a design process) and included in the Deel Local Payroll Application in a timely manner.
- 7.6 Legislative Compliance.
- 7.6.1 3rd Party Advise. Service Provider uses a network of different geographical preferred advisors, of which, some are in-country advisors. These advisors are segmented into specific countries based on the advisor's specific expertise and experience of the specific country and/or regions. This advisory network identifies the latest changes and/or developments;
- 7.6.2 Changes:
- 7.6.2.1 Prompting for changes. Service Provider's Compliance Desk contacts the relevant in-country and/or geographical advisor on a regular basis via email, prompting any changes to legislation. and;
- 7.6.2.2 Independent research/investigation. Service Provider's Compliance Desk will utilize the country index document and conduct independent research/investigation on a regular basis for any legislative changes in the for which the Deel Local Payroll includes legislative and tax configuration, excluding Shell Countries.
- 7.6.3 Should these investigations result or indicate a change(s), verification of all information via external sources will be conducted. If further clarification is required, the advisor expert is contacted, and other multiple independent advisory services are utilized as and when the need for such arise.
- 7.6.4 Language Barriers and Interpretational Issues. In the event of a difference of business language:
- 7.6.4.1 the in-country partners, advisors and member firms will translate, interpret all documentation, laws, decree's, notices, and requirements for understanding and implementation of the requirement. and;
- 7.6.4.2 should there be any interpretation issues between Service Provider and Customer's requirement/need or the in-country statutory law, the in-country partner or/and advisor will assist, together with the Service Provider Compliance Desk to lessen the language barrier risk.
- 7.7 Service Provider will document the required change/s which may include, but not limited to, tax table breakdowns, taxable and non-taxable items, payslips requirements and payslip layout, all statutory reports as well as the report layouts.
- 7.8 Service Provider will follow a formal software development life cycle to determine the impact of software changes and determine any possible unanticipated results.
- 7.9 In cases where interpretation highlights any ambiguities, the conservative implementation approach (using the higher output calculation method) will be used while further clarification is obtained from the advisories.
- 7.10 Service Provider has invested a huge amount of time and resources in testing the calculations being performed by the Deel Local Payroll Application and to the best of Service Providers knowledge and ability.
- 7.11 If any discrepancies arise due to unforeseen technical reasons which have been recognized by Service Provider as being the cause of such discrepancies, Service Provider will use all reasonable endeavours to address these as soon as possible. Service Provider will use its best endeavours to ensure that all figures are always available to Customer.

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7.12 In any event where the Customer has manually adjusted any Service Provider delivered statutory calculations, all calculated outputs and compliance related to the change, and any inter dependant change that transpires from the adjustment is the sole responsibility of the Customer and there is no Liability on the Service Provider.

8 MAINTENANCE SERVICES: UPDATES AND UPGRADES

8.1 Scope of Maintenance Services. The Service Provider shall provide ongoing maintenance services for the Deel Local Payroll Application Solution, hosted in a single-instance, multi-tenant environment, in a Microsoft Azure Data Centre. Maintenance services shall include updates, upgrades, security patches, performance enhancements, and issue resolution activities necessary to ensure the continued reliability, functionality, and compliance of the Deel Local Payroll Application.

8.2 Update and Upgrade Frequency. The Service Provider shall implement updates and upgrades to the Deel Local Payroll Application on a weekly basis. Such updates may include, but are not limited to, the implementation of new features, correction of defects and performance optimization.

8.3 Legislative and Regulatory Compliance. The Service Provider shall be responsible for incorporating applicable statutory and regulatory changes into the Deel Local Payroll Application. Legislative updates and regulatory compliance will be done according to clause 7.

8.4 Change Management and Release Communication. All updates and upgrades shall be managed through a formal change management process. Release notes or other relevant documentation detailing material changes implemented during each update cycle, can be found on the Deel Local Payroll Application admin portal.

8.5 System Availability and Zero-Disruption Maintenance. Where possible, Service Provider shall perform all maintenance activities, including updates and upgrades, in a manner that avoids disruption to Customer access or use of the Deel Local Payroll Application. The Service Provider shall endeavour to utilize zero-downtime deployment methodologies where feasible.

8.6 Monitoring and Issue Resolution. The Service Provider shall maintain active monitoring of the Deel Local Payroll Application and its underlying infrastructure. Any identified issues affecting system performance, security, or functionality shall be addressed proactively in accordance with the Service Level commitments outlined herein.

8.7 Data Security and Tenant Isolation. The Customer's data shall remain logically separated and secure within the multi-tenant architecture of the Deel Local Payroll Application. The Service Provider shall ensure that maintenance activities do not compromise data privacy or integrity.

9 OPERATIONAL NOTICES AND MESSAGES

9.1 Customer agrees that Service Provider may provide notices to Customer in the following ways:

9.1.1 a banner notice on the Service;

9.1.2 an email sent to an address Customer provided, or

9.1.3 through other means including mobile number, telephone, or mail.

9.2 Customer agrees to keep Customer's contact information up to date. Customer can indicate on Customer's profile that Customer do not wish to receive email notices specifically.

10 CHANGE OF SERVICES SCOPE

10.1 The Parties will follow the procedures outlined below for any material change to the scope of the service:

10.1.1 Customer may request a change to the scope of the Service by discussing the requirement with Service Provider;

10.1.2 Service Provider will respond to Customer and advise Customer of the effect and/or feasibility that the requested change will have on the Service as well as the cost and completion time for the requests. and;

10.1.3 if Customer agrees to the change and cost of the scope request, then Service Provider will issue a change order, to be signed by an authorized Representative of Customer.

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11 EXIT ASSISTANCE

- 11.1 Upon request of Customer, Service Provider agrees to provide Customer with reasonable assistance, and based on a Work Request, to enable the Services to continue without interruption in accordance with the service levels (if any) and to allow the successful transfer of the Services. Such assistance shall be provided by Service Provider at rates mutually agreed, but such rates shall be no greater than those charged to Customer as of the date of termination or expiration and shall include reasonable travel and other related expenses.