

Dear Valued Client,

As part of our continued efforts to provide assurance of our commitment to data integrity and security in our handling of client data, we are currently undergoing an audit of our compliance with established rules and procedures provided by the National Automated Clearinghouse Association (NACHA). As part of this audit, we are required to provide you, on an annual basis, a notice of your responsibilities under NACHA as well as any updates to the operating rules and guidelines since the last notification. After reviewing the following, should you have any questions please contact your Wurkforce, Inc. account manager or representative.

The following is a summary of the most common NACHA Rules that you as the Client need to be aware of. This list is not an all-inclusive list of the NACHA Rules. You bear the sole responsibility of understanding the NACHA Rules and how they pertain to their business operations.

A complete copy of the NACHA Rules can be found at [www.nacha.org](http://www.nacha.org). Client is considered an “Originator” under the NACHA Rules. The rights and responsibilities of the “Originator” can be found at OG 63-89 in the NACHA Rules. Wurkforce, Inc. recommends that the appropriate personnel of the “Originator” familiarize themselves with this section.

The NACHA Rules contain the following definitions (all capitalized terms used below and not otherwise defined shall have the respective meanings ascribed to such terms in the NACHA Rules):

**ODFI** – Originating Depository Financial Institution - A Participating Depository Financial Institution with respect to Entries (a) it Transmits directly or indirectly to and ACH Operator for Transmittal to an RDFI, and (b) on which it is designated as the ODFI in accordance with Appendix Three of the NACHA Rules.

**Originator** – a Person that has authorized an ODFI (directly or through a Third-Party Sender) to Transmit, for the account of that Person, a credit Entry, debit Entry, or Non-Monetary Entry to the Receiver’s account at the RDFI.

**RDFI** – Receiving Depository Financial Institution - A Participating Depository Financial Institution with respect to Entries (a) it receives from its ACH Operator to the accounts of receivers, and (b) on which it is designated as the RDFI in accordance with Appendix Three of the NACHA Rules.

**Third-Party Sender** – a type of Third-Party Service Provider that acts as an intermediary in Transmitting Entries between an Originator and an ODFI, including through Direct Access, and acts on behalf of the Originator or another Third-Party Sender. Wurkforce, Inc. is a Third-Party Sender for ACH transactions.

Client acknowledges that, in order to use any Provided Service that includes or in any way involves automated clearing house (“ACH”) transactions, Client will be the “Originator” of the ACH transactions. Client warrants and agrees that it will follow, comply with, and be bound by the National Automated Clearing House Association (“NACHA”) Operating Rules & Guidelines (the “NACHA Rules”), as may be amended from time to time. Wurkforce, Inc. warrants that it is legally able to perform the requirements

of a Third Party Sender on behalf of the Originating Depository Financial Institution (“ODFI”) as that term is defined in the NACHA Rules.

Client agrees that it has assumed the responsibilities of an Originator under the ACH rules and acknowledges that Entries (as defined in the NACHA Rules) may not be initiated in violation of the laws of the United States. Client specifically acknowledges and agrees that Wurkforce, Inc. and its ODFI shall have the right to immediately audit, terminate or suspend the Service Request following Client’s breach of the NACHA Rules. For purposes of this paragraph, “**Banking Day**” shall mean any day on which a NACHA-participating financial institution is open to the public for carrying on substantially all of its banking functions. Wurkforce, Inc.’s right to terminate the Service Request pursuant to this paragraph shall be in addition to and not in lieu of any other right of Wurkforce, Inc. to terminate the Service Request.

Client specifically acknowledges and agrees that each ODFI engaged by Wurkforce, Inc. in connection with ACH transactions shall have the right to conduct an audit of Wurkforce, Inc. and Client to determine compliance with the Service Request, these Terms and Conditions, and the NACHA Rules. Client agrees to cooperate and participate in each such audit initiated by an ODFI. Where possible, Wurkforce, Inc. shall provide Client with notice of any such audit.

Client must retain and provide upon request copies of each employee authorization form for two (2) years.

Additional Notice for Non-Consumer Credit Entries:

- (a) the Entry may be Transmitted through the ACH;
- (b) the rights and obligations of the Originator concerning the Entry are governed by and construed in accordance with the laws of the State of Colorado, unless the Originator and Wurkforce, Inc. have agreed that the laws of another jurisdiction govern their rights and obligations;
- (c) credit given by the RDFI to the Receiver for the Entry is provisional until the RDFI has received final settlement through a Federal Reserve Bank or otherwise has received payment as provided for in Section 4A-403(a) of Article 4A; and
- (d) if the RDFI does not receive such payment for the Entry, the RDFI is entitled to a refund from the Receiver in the amount of the credit to the Receiver’s account, and the Originator will not be considered to have paid the amount of the credit Entry to the Receiver.

NACHA updates as well as additional information can be found on the NACHA website located at: <https://www.nacha.org/>.

If you are not the person who authorized the payroll agreement with Wurkforce, Inc. Payroll Services Inc, please forward to the appropriate party.

Sincerely,



Wurkforce, Inc.