



STATEMENT OF WORK

NUMBER 2

This is SOW Number 2 of the Master Application Service Provider Agreement Kenmore-Town of Tonawanda Union Free School District ("Client") and Employee Benefit Specialists, Inc. (EBS) DBA WORKTERRA ("Vendor") dated 1/20/2017. All capitalized terms used herein, but not defined herein, will have the meanings set forth in the Agreement. Unless expressly modified herein, all terms in the Agreement shall remain unchanged and in full force and effect. If there is a conflict between the Agreement and this SOW, the SOW will prevail.

1. SOW TERM. Vendor will provide the Services described in this SOW beginning on 11/2/2016 and ending 06/30/2018.
2. APPLICATIONS. The Applications included in the scope of this SOW are as follows: WORKTERRA
3. SCOPE AND DESCRIPTION OF SERVICES. The Services included in the scope of this SOW are as follows:

A. Implementation services

This SOW is a replacement of a prior Agreement, WORKTERRA has been implemented under that prior Agreement and the implementation services under this new Agreement will include the configuration of new plans and rates as per the Client instructions for the open enrollment of their benefits in for the 2017 and 2018 plan years. The re-enrollment implementation timeline will be agreed upon by both parties for deliverables and milestones necessary for the configuration of WORKTERRA, data uploads; Vendor and employer file configuration, testing and other information exchange necessary to meet the requirements to be operational by the Client designated go live date. Operational for purposes of this SOW means that Client management and employees will be able to enroll and change benefit elections for plans specified in this SOW.

During this implementation period, Vendor will provide Client regular updates regarding status of timeline milestones to meet the above dates. A minimum of one call per week with the designated implementation team at and EBS will be required.

Client is responsible for providing requested implementation data and material according to agreed upon dates in the timeline and in a mutually agreed upon format. Client is responsible for thoroughly testing the system for all changes as per the Vendor provided User Acceptance Testing form and providing an authorized signature to move the changes to the production environment for live use by the Client.

B. SaaS services

Overview of Functional Requirements

WORKTERRA features include and may be utilized by Client under this Agreement but are not limited to:

- Web-based online enrollment tool available for open enrollment and year round updates
- Employee self-services
- Multiple carrier elections
- Site configuration at the employer level
- Easy-to-use HR administrative interface to perform basic functions
- Robust reporting features
- ACA compliance tool

113

Support Services

Support Services will include:

- Account management
- Implementation configuration of WORKTERRA for all updates and changes to plans, rates, rules etc.
- Creation and testing of output files to vendors, clients, etc.
- Ongoing training for new features and functions

Client's administration team will have an account manager assigned to be their main point of contact. The account manager's work in a team so there will be always be a knowledgeable back up for days when the main account manager is out of the office. In addition, administrators for each of the administrative services will be assigned (example Section 125, billing, COBRA). A contact list for all administration personnel assigned to Client will be provided and maintained by EBS. The account management and administration team will be available 8am – 5pm Pacific Monday through Friday except for listed holidays.

Employees of Client will be able to call EBS for WORKTERRA assistance 8am to 5pm Pacific Time Monday through Friday except for listed holidays (see attachment B). In addition employees can call with questions about other accounts related to EBS services being offered such as HRA, FSA, 132, Retiree Benefits, LOA billing, COBRA account etc. Contractor offers web access to flex, transit, COBRA and retiree billing account information and a toll-free IVR system (IVR for flex only) that employees can access 24 hours a day, 7 days a week. Client service is also available via e-mail and any correspondence from Contractor will be received from 8 am to 5 pm Pacific. All voicemails left and e-mails received after hours will be reviewed the next business day.

4. **FEES.** In exchange for the Services listed in this SOW, Client shall pay vendor the fees outlined in Attachment A of this SOW at either a fixed-bid or time-and-materials basis as applicable.

Fees for any service not specifically outlined herein will be quoted upon request. Unanticipated loads, expedited services or other that requires additional services provided by EBS will quoted upon request. The fees attached are guaranteed for a period of 3 years from the execution of this SOW.

5. SCOPE

Vendor will provide a software tool called WORKTERRA in a SaaS model that Client will utilize for the enrollment and eligibility management of the listed benefit plans. WORKTERRA system will provide Client with an online system to update all status and enrollment information necessary for the enrollment and termination of employees and eligible dependents into the covered Plans. Client personnel will have varying levels of access to view all current coverage election and/or enter change information on a daily basis.

Optional functionality:

- **Inbound on-going Demographic File Interface** – Client's system will integrate with EBS via files to create a single key environment. The Client will key information for new hires, terminations, leaves etc. into their payroll/HRIS system, as they always do, and that information will be submitted via file from the Client's system to EBS. Files will be loaded on a scheduled basis into WORKTERRA. Client is responsible for reviewing employee data periodically to ensure accuracy.
- **Employee Self Service** – Online enrollment access for employees to make annual enrollment changes, new hire elections, qualifying event changes, etc. through a web based enrollment system call WORKTERRA.
- **Administrative Use** – Client's administrative staff will have access to many tools to create efficient processes for benefit administration such as the reporting tool which provides static, standard and dynamic (client defined) reports, the EOI tool to view and manage elections in excess of guarantee issue amounts, qualifying events tool to review and update employee self-service requested changes via the configured qualifying events and many other tools.
- **Email Notification Module** – Optional module within WORKTERRA that sends emails out to employees notifying the employee of plan changes, enrollment changes, enrollment approval or rejections, etc. upon client request

- **Payroll Interface** - EBS will integrate with the Client's systems via files to create a single enrollment change environment. The Client and/or the employee will key enrollment changes into WORKTERRA that result in payroll deduction changes that will be exported and sent to the Client for file to be keyed in or load into the Client's payroll/HRIS system.
- **Integration with Client Vendors for Eligibility Management** – Vendor will automate the delivery of eligibility files to Client vendors on a once per week basis. Vendor will be responsible for the delivery of these files and the management of eligibility. Client is responsible for reviewing eligibility periodically to ensure accuracy.

6. DEFINITIONS

- **Vendor's Network** means the hardware, software, network server(s) and data center of Vendor or of a third party under lease or license to Vendor that are utilized to provide the applicable components of the Services to Client hereunder.
- **Contractor** means EBS
- **Covered Lives** or Eligible Employee means any person who (i) has data housed in WORKTERRA and (ii) is an employee or contract worker of Client except for those in a deceased, or inactive status.
- **Data** means demographic and election information for each former and current covered life
- **Dependent** means any person whose demographic information is housed in WORKTERRA as the spouse (any type ex. common law), domestic partner or child of an employee of Client.
- **WORKTERRA Work Hours** means Monday through Friday 8am – 5pm Pacific except for scheduled holidays which will be provided to Client each year in advance. For current year, see attachment B.
- **Employees** are all employees of Client that receives a W-2 or 1099 from the employer
- **Health Plans** means a group health plan described in Internal Revenue Code Section 4980B(g)(2).
- **Plan Participant** means an Employee or a Dependent, COBRA or LOA participant (and if so specified by Client any other individuals) both eligible and covered under Client benefit plan being administered by Vendor under this SOW.
- **WORKTERRA** means Vendor's software that is wholly owned by Employee Benefit Specialists, Inc. for the enrollment and termination of employees and eligible dependents into the covered benefit Plans:
- **PEPM** stands for Per Eligible Per Member (see quote to identify billing method appropriately). Eligible member for this purpose is the same as a covered life as defined above.
- **PPPM** stands for per participant per month (see quote to identify billing method appropriately)

7. SECURITY:

Vendor shall throughout the durations of this SOW:

- Maintain security procedures to prevent the unauthorized access to a disclosure, destruction, damage, loss or alteration of the Data, taking into account the nature of the Covered Life Data (former and current Covered Lives includes deceased and inactive statuses).
- Take measures no less protective than those provided for under this Agreement as of the Effective Date against unauthorized or unlawful processing of the Data and against accidental loss or destruction of, or damage to, any Data for Covered Lives former and current.

- Ensure that all Data is protected in a manner no less protective than those provided for under this SOW as of the Effective Date from accidental and deliberate damage
- Maintain systems which detect and record any attempted damage or amendment to Data
- House the Data in physically secure premises protected at least by adequate fire protection and access control doors
- Deal promptly with any reasonable queries relating to the processing of Data of current and former Covered Lives
- Notify Client promptly of suspected breaches or compromises of the Data or Vendor systems or networks that indirectly support the Data (notice to be provided telephonically within 24 hours of the discovery of the suspected breach or compromise).
- Vendor shall ensure that any sub-Vendor or affiliate utilized by Contract under this SOW accepts obligations in respect of Data which are no less restrictive than those accepted by Vendor in this section.

8. SAFETY AND SECURITY

Vendor shall maintain and enforce safety and security procedures in operating Vendor's network that are at least:

- Equal to industry standards for such networks
- As rigorous as those procedures which are in effect for other similar networks then owned or controlled by Vendor, such safety and security procedures currently outlined in Vendor's security practices, refer to Vendor's security document.
- Compliant with any safety and security requirements contained within the terms and conditions of this Agreement and also with any additional reasonable safety and security requirements requested by the Client during the term of this Agreement, provided, that such requests do not result in a substantial increase in costs or expense to Vendor or Client.

Client acknowledges that Vendor may amend, in part or in whole, the Security Practices without Client consent or change the third-party reviewing and certifying Vendor's safety and security procedures; provided that Vendor shall not materially diminish or eliminate the level of security as set forth in the Security Practices without Client's prior written consent.

9. BACK UP AND DISASTER RECOVERY

Vendor will perform an incremental backup of its services, including all Client data, on a daily basis and full backup on a weekly basis. Vendor shall provide, at all times during the term of this Agreement, reasonable disaster recovery for the Vendor's Network in accordance with the disaster recovery plan ("Disaster Recovery Plan"), see Attachment C. Vendor shall not materially diminish or eliminate the level of service provided under the Disaster Recovery Plan without Client's prior written consent.

Maintenance Windows; Updates:

Vendor will establish maintenance windows during which time Vendor may take down the Vendor's Network to conduct routine maintenance checks. If the Vendor Network will be down for more than thirty (30) minutes within this window, Vendor shall so advise Client prior to any scheduled maintenance. Vendor shall not be responsible for any damages or costs incurred by Client or any Covered Employee during or as a result of the scheduled down time. Vendor may change its maintenance window upon 24 hours' notice to Client.

10. PERIOD OF PERFORMANCE

This Statement of Work will be in effect for three (3) years, refer to the Master Services Agreement for termination rights. If any additional services need to be added a separate SOW will be negotiated and agreed up on by both parties. Any changes or extensions to this SOW will need to be agreed up on by both parties and an amendment executed.

Actual monthly charges are based on the number of covered lives in the system on the day that Vendor creates the billing statement. Contractor will create the billing statement on the same date each month (within a 3 day window).

Note: All change fees will be estimated and communicated in writing with an explanation of the charge and the anticipated completion date. Work will not begin on proposed changes that require fees until Client has signed off on the formal change request form submitted by Vendor.

Fees for Open enrollment configuration for any year in which the client terminates this agreement for any reason other than for cause within 6 months of the open enrollment will be charged at \$3500.00 plus hourly for any changes made for open enrollment other than rate changes (ex, new carrier files, new plans, updated eligibility rules etc.)

11. WORK PRODUCT AND INTELLECTUAL PROPERTY

For the purposes of this SOW, "Work Product" is defined as all inventions, improvements, computer programs, discoveries, ideas, processes, systems, writings or other works existing at the time of this SOW and made or conceived by Vendor, or its employees, agents or independent Vendors, solely or jointly with others, and any such information or materials which (a) are produced as part of or in the course of performing the Services; or (b) are conceived of or made during the term of or at any time following the expiration of this SOW by Vendor that are improvements, advances, changes or derivations of Vendor's existing Work Product. Vendor will retain all rights, title and interest it may have in its Work Product, including the source code, compilers, related documentation and materials, and any modifications and enhancements to the Work Product at all stages of development and upon completion, and all patents and copyrights in the Work Product, and nothing in this SOW shall be construed to give Client any right, title or interest therein. Client shall render all reasonably required assistance to Vendor to protect the rights described above. Client warrants it has all right, power and authority to affect all assignments, transfers, and waivers provided herein. Any jointly developed work product will be owned by Vendor who may use, license, modify or transfer such Work Product without permission, compensation or accounting to Client.

Client has not and shall not assign, license or otherwise transfer ownership, rights, title, or interest in the Work Product to any third party (including but not limited to copyright, patent, trademark, trade secret or any other intellectual proprietary right) or allow any lien or other encumbrance to be placed on any part of the Work Product to be created pursuant to this SOW.

12. INVOICING

Subject to the terms and conditions of the agreement, payment for Services will be due ten (10) days after Client's receipt of a complete invoice.

Invoices will be uploaded to the EBS secure site for electronic access by Client. Client is responsible for reviewing the invoices for accuracy each month.

Recurring Fees: PEPM, PPPM, fulfillment or other agreed upon charges specifically identified in this SOW will be billed according to this SOW.

Optional Services: Additional services may be elected and will be estimated and signed off by Client prior to work beginning. In some cases an additional SOW will be completed.

Changes: Requests for changes to the configuration of the system, or files will be quoted based on the hourly rate listed in Attachment A. Work will not begin on changes until the change request form has been fully executed by both parties.

Any service not specifically outlined in this SOW will be quoted upon request.

This SOW may be executed in one or more counterparts, and if in more than one counterpart, each, when taken together, shall constitute one and the same instrument. Signatures on this SOW which are exchanged by facsimile or other electronic means are true and valid signatures for all purposes hereunder and shall bind the Parties to the same extent as original signatures.

IN WITNESS WHEREOF, the parties hereto have caused this SOW to be executed by their respective authorized representatives effective as of the date last written below.

Client Name

Employee Benefit Specialists, Inc. DBA WORKTERRA

By: _____

By: _____

Name: Jill O'Malley

Name: _____

Title: Board of Education President

Title: _____

Date: 2/14/2017

Date: _____

Attachment A

Pricing

The following table details the pricing for delivery of the services outlined in this proposal. This pricing is valid for 90 days from the date of this proposal:

One-Time Fees

System Configuration – WORKTERRA BenAdmin		N/A
<ul style="list-style-type: none"> Includes system setup and vendor files for up to 8 plans and 5 carriers Includes up to 8 hours of data scrubbing. Additional hours will be billed at \$175/hour 		
Data Fees Outbound Payroll File Setup (per file)		\$1,500
Includes up to 8 hours		
Additional hours		\$175 / hr
Data Fees Inbound File		
WORKTERRA Format WORKTERRA has a file specification for inbound files that can be provided upon request. We request that employers forward these files to us in this format or automated processing of employee demographic information.		
Non-WORKTERRA Format If an employer cannot provide files to WORKTERRA in our requested format, we can use any format that is available and the above fee is required for WORKTERRA to map the file to our specifications for automated processing.		\$2,000
Data Fees Outbound Carrier / Vendor Files		
WORKTERRA implementations include standard 834 files for up to 6 carriers		
Additional 834 files		\$1,500/ carrier
Outbound carrier files in a format other than standard 834 format		\$1,500/ carrier
System Training		Included
<ul style="list-style-type: none"> Initial administrator training generally takes 3 hours. Additional training available at no cost. Quick user guides are provided at the time of training. 		
Annual Open Enrollment		Included
<ul style="list-style-type: none"> Quick user guides are provided at the time of training. 		

<ul style="list-style-type: none"> Includes updating current plan rates. If new carriers are added, there is an hourly fee will be billed at \$175/hour to create the vendor files for data integration. 	
Administrative Access	
2 administrative licenses	Included
Additional licenses	\$250/seat
Branding	
Included	
WORKTERRA BenAdmin will be set up with logo and color scheme	Optional
Custom Login Page	\$2,500
Custom URL	Quoted upon request

Recurring Fees

WORKTERRA BenAdmin	\$2.85 PEPM
<ul style="list-style-type: none"> Includes configured system for employee self-service and employer administration. Files are delivered and received up to daily at no additional charge. Fees are billed Per Employee per Month (PEPM). For purpose of WORKTERRA billing an employer is a person who has data housed in WORKTERRA except for those with a status of "Deceased", "terminated" or "inactive". Employees do NOT include dependents for the purpose of calculating PEPM fees. There is a \$1,000 per month minimum fee if the PEPM fees do not equal at least \$1,000 per month. The minimum fee is charged in lieu of the PEPM for any month that the minimum applies. 	

Additional WORKTERRA Modules

Setup Fees	
OnBoard	\$2,000.00
PEPM Fees <i>(discounts on the PEPM fee are available when multiple applications are selected)</i>	
OnBoard	\$1.50 PEPM
Note there is a \$500 per month minimum fee for the OnBoard tool, which is charged in lieu of the PEPM fees if the PEPM doesn't equal to that amount for the month being billed.	

Additional WORKTERRA Modules – ACA Compliance Solutions

ACA Reporting	\$0.35 PEPM
Clients who utilize the hours tracking ACA tool within WORKTERRA will be charged an additional PEPM fee per month	
Non-Benefit Eligible Employees for ACA tracking purposes only	\$1.00 PPPM
Forms 1094 & 1095 Annual Electronic Filing Fee	\$7,500
Forms 1094 & 1095 Electronic File for self-service IRS filing	\$5,000
Form 1095C Production Fee	\$2.75 per form
Form 1095C Printing and Mailing These are mailed US first class mail	\$3.75 Per form
Historical Data Load and scrubbing	\$175/hr
The change fees are charged for configuration changes that require 2 hours or more of WORKTERRA staff time and all changes to integration files after final sign off. Any change that requires development time will be quoted upon request and require client sign off before work is begun.	

Additional Services

Consolidated Billing	
0 – 500 lives per client	\$0.80 PEPM

Note: Includes payment up to 6 carriers per client. There is a \$135/month minimum fee per client

COBRA	\$0.85 PEPM Or per event as below
Qualifying Event Notices Mailed US Postal First Class	\$10 / notice
COBRA Administration Includes enrollment, eligibility management, billing, collection, payment to carriers, online account access for participants and employer, and employer reporting (Note WT retains the 2%)	\$10 / participant
COBRA Rights Notices for New Hires	\$2.75 / letter
Section 125/132	
Document and SPD	Included at no cost
One set Discrimination Test per year	Included at no cost
Section 125 Participant Fee Includes one or both reimbursement accounts, debit card, online account access, and employer reporting	\$4.50 PPPM
Section 132 Participant Fee One or both reimbursement accounts, debit card, online account access and employer reporting	\$4.50 PPPM

Note: There is a \$135 minimum monthly fee for Section 125/132 services per client

Other	
Dependent Audit	\$20 per employee audited
Dependent Verification	\$25.00 per person
QMSCO	\$12.00 per employee audited
Qualifying event administration	\$25.00 per person

Attachment B
Vendor's Scheduled Holidays
2017

January 1, 2017	New Year's Day
February 20, 2017	President's Day
May 29, 2017	Memorial Day
July 4, 2016	Independence Holiday
September 4, 2017	Labor Day
November 23 & 24, 2017	Thanksgiving Holiday
December 25, 2017	Christmas Holiday

Attachment C Back Up and Disaster Recovery

Disaster Response

This section describes EBS' six required responses to a disaster, or to a problem that could evolve into a disaster:

1. Detect and determine a disaster condition
2. Notify persons responsible for recovery
3. Initiate the Business Continuity Plan
4. Activate the designated warm site and/or Sister site
5. Disseminate Public Information
6. Proceed with Disaster Recovery Strategy

Each subsection below identifies the team(s) and/or position(s) responsible for each of these six responses.

Disaster Detection and Determination

The detection of an event, which could result in a disaster affecting information processing systems at EBS, is the responsibility of the Information Systems team, or whoever first discovers or receives information about an emergency situation.

Disaster Notification

Information Systems will follow existing procedures and notify the individuals who are acting as the Business Continuity Management Team Duty Persons (DP)). The DP on call will monitor the evolving situation and, if appropriate, will then notify the Business Continuity Management Team representative based upon a predefined set of notification parameters.

When a situation occurs that could result interruption of processing of major information processing systems, the following people must be notified:

Chief Technology Office
· IT Director
Chief Operation Officer
The Telecommunications Team Coordinator

Initiation of the Business Continuity Plan

Initiation of this Plan is the responsibility of the Business Continuity Management Team Coordinator or any member of the Business Continuity Management Team.

Activation of a Designated Warm Site and/or Sister Site

The responsibility for activating the designated warm site or sister site is delegated to the Chief Executive Officer. In the absence of the Chief Executive Officer, responsibility reverts to the Chief Technology Officer. Within 2 hours of the occurrence, the CEO and or alternate, determines the prognosis for recovery of the damaged functional area through consultation with Information Systems team members and the Business Continuity Management Team.

If the estimated occupancy or recovery of the damaged functional area cannot be accomplished within 48 hours, the usual occupants of the designated sister site are notified of the intention to occupy their facility.

Dissemination of Public Information

The Business Continuity Management Team is responsible for directing all meetings and discussions with all clients, news media and the public.

Recovery Status Information Number

This number will be established as a voice mail information number for posting recovery status and information notices. The Business Continuity Management Team will place all reports.

Disaster Recovery Strategy

The disaster recovery strategy explained below pertains specifically to a disaster disabling the main data center.

Especially at risk are the critical applications designated as Category I systems. The Plan provides for recovering the capacity to support these critical applications within 12 hours. Summarizing the provisions of the Plan, subsections below explain the context in which the Institute's Business Continuity Plan operates. The Business Continuity Plan complements the strategies for restoring the data processing capabilities normally provided by Operations & Systems.

This section addresses three phases of disaster recovery:

- Emergency
- Backup
- Recovery

Emergency Phase

The emergency phase begins with the initial response to a disaster. During this phase, an assessment of the damage is made to determine the estimated length of the outage. If access to the facility is precluded, then the estimate includes the time until the effect of the disaster on the facility can be evaluated.

If the estimated outage is less than 48 hours, recovery will be initiated under normal Information Systems operational recovery procedures. If the outage is estimated to be longer than 48 hours, then the Duty Person notifies the Business Continuity Management Team, which in turn activates the Business Continuity Plan. The recovery process then moves into the back-up phase.

The Business Continuity Management Team remains active until recovery is complete to ensure that the Institute will be ready in the event the situation changes.

Back-up Phase

In the initial stage of the back-up phase, the goal is to resume processing critical applications. Processing will resume either at the main data center or at the designated warm site and/or sister site, depending on the results of the assessment of damage to equipment and the physical structure of the building.

In the back-up phase, the initial warm and/or sister site must support critical (Category I) applications for up to 2 weeks and as many Category II applications as resources and time permit. During this period, processing of these systems resumes, possibly in a degraded mode, up to the capacity of the warm site. Within this 2-week period, the main data center will be returned to full operational status if possible.

Recovery Phase

The time required for recovery of the functional area and the eventual restoration of normal processing depends on the damage caused by the disaster. The time frame for recovery can vary from several days to several months. In either case, the recovery process begins immediately after the disaster and takes place in parallel with back-up operations at the designated hot site. The primary goal is to restore normal operations as soon as possible.

EBS' Business Continuity Plan (BCP) is designed to reduce the risk of a disaster causing severe damage to our data processing and telecommunications to an acceptable level by ensuring the restoration of Critical processing within 8 hours, and all essential production (Category II processing) within 1 week of the outage.

The Plan identifies the critical functions of EBS and the resources required to support them. The BCP provides guidelines for ensuring that needed personnel and resources are available for both disaster preparation and response and that the proper steps will be carried out to permit the timely restoration of services.

The BCP specifies the responsibilities of the Business Continuity Management Team, whose mission is to establish company wide procedures to ensure the continuity of EBS's business functions. In the event of a disaster affecting any of our functional areas, the Business Continuity Management Team serves as liaison between the functional area(s) affected and other departments within the company as well as with any third party organizations.

BCP Overview

The following is a summary of the appendices/documents that should be included in a Business Continuation Plan.

Command Centers

The Command Center is to serve as an initial meeting place for the Recovery Management Team. Each site is to provide an on-site option as well as one option within a five-mile radius and one outside of a five mile radius. The general requirements are: accessible 24 hours a day, space for 10-15 people, telephones and fax machines on premises, modem connection and available for two days minimum.

Critical Services

The Critical Services appendix contains all critical business services and functions that are required to be maintained during a crisis. The Critical Services should include automated systems requirements, number of PCs required, number of telephones required, ACD requirements and resources required (human or other).

Customer / Provider Data

The purpose of maintaining Customer/Provider Data is to be proactive in contacting customers in the event of a business interruption. The Customer/Provider Data appendix should contain customer/company name, key contact name, name of employee responsible for making contact, customer/company address, telephone and fax numbers.

Emergency Procedures

The Emergency Procedures appendix contains site-specific procedures to be followed by all employees in case of emergency. The following procedures are the minimum required for each site: Personal Safety/Security, Medical Injury/Illness, Fire, Severe Weather, and Bomb Threat.

Employee Data

The Employee Data appendix contains the following information on all employees and contractors: Employee name, position/title, home address, home telephone, work telephone, cellular telephone, pager and alternate telephone numbers.

Call Trees

The Call Tree appendix contains the call trees for a site by business unit or department. It is imperative that each person is asked to contact no more than five individuals.

Recovery Teams

The Recovery Teams appendix contains the names of those serving on specific teams. Recovery Teams should be established by site location when ever possible and by business unit only when necessary. Each team must have a "Team Leader" and an "Alternate Leader".

Site Profile

The Disaster Recovery/Business Continuation departments in conjunction with Real Estate Services and Risk Management maintain information on the site. The information encompasses the site address, telephone and fax numbers, mail route, product lines, Real Estate Services representative, Property Manager/Landlord, rented square footage, floors occupied by company, number of workspaces and FTE's per floor, known hazardous chemicals in the building and directions and distance from the closest metropolitan airport.

Telecommunications

The Telecommunications appendix contains information on the phone system configuration, system type, circuit numbers, RJ locations, update/maintenance process, vendor notification procedures, documentation of all 800 and local numbers including their preplanned services assurance destination and customer message scripts and procedures for activation.

Systems

The Systems appendix contains information on hot site recovery agreements, disaster declaration procedures and authorization, hardware configurations, network configurations, and the actual hot site contract

Vital Records Storage

The Vital Records appendix contains information on off-site storage locations including maps and written directions to the site, copies of the contracts, off-site authorization lists and media retrieval procedures. The Vital Records appendix also contains the company's standards for non-mainframe tape backup procedures.

Critical Services

In the initial stage of the back-up phase, the goal is to resume processing critical applications. Processing will resume either at the main data center or at the designated warm site and/or sister site, depending on the results of the assessment of damage to equipment and the physical structure of the building.

In the back-up phase, the initial warm and/or sister site must support critical (Category I) applications for up to 2 weeks and as many Category II applications as resources and time permit. During this period, processing of these systems resumes, possibly in a degraded mode, up to the capacity of the warm site. Within this 2-week period, the main data center will be returned to full operational status if possible.

Category I applications include the core functionality of the software which is defined as:

1. Employee Ability to log into the software
2. Employer Administrators Ability to log in to the software
3. Employee ability to perform Self Service Enrollment
 - a. Employee workflows are correct and complete
4. Employer Administrators can perform key tasks such as completing employee enrollments, and viewing employee data

Category II applications include essential functionality which is defined as:

1. Decision support tool
2. Messaging
3. Self Service Reporting
4. Automated Data Integration Processing

Customer/Provider Data

The purpose of maintaining Customer/Provider Data is to be proactive in contacting customers in the event of a business interruption.

Customer Contacts for Emergency Notification:

Name: _____
Title: _____
Location: _____
Phone: _____
Cell Phone: _____

Alternative or additional Customer Contact for Emergency Notification

Name: _____
Title: _____
Location: _____
Phone: _____
Cell Phone: _____

Provider Data

Name: Debbie Kulling
Title: Director of Client Management
Location: 5934 Gibraltar Drive Suite 101 Pleasanton, CA 94588
Phone: 925-469-5204
Cell Phone: 925- 209-5897

Alternative or additional Provider Contact for Emergency Notification

Name: _____
Title: _____
Location: _____
Phone: _____
Cell Phone: _____

Emergency Procedures

Earthquake Emergency Response Plan

A.

Purpose:

The purpose of this policy is to establish the procedures to be followed by all employees in the event of an earthquake. Implementation of these procedures whenever necessary should minimize loss of life, injury and disruption of scheduled work activities.

B.

Priorities:

Unlike other natural disasters, earthquakes occur without warning and could strike anytime. The unpredictable nature of an earthquake and aftershocks may cause great physical and social impacts over a broad geographic region. Management Staff and Safety Committee members will be required to assist in assuring employee safety.

C. Expectations for Employees:

Since earthquakes occur without warning and are very unpredictable, notification will not exist. The best course of action is to recognize that an earthquake is occurring and take safety precautions to protect life.

D. Communications:

Since earthquakes are unpredictable and strike without warning, there will be no time to communicate prior to the event. Chances are the communications will come after the earthquake has passed, but before further aftershocks. As soon as the earthquake has been identified, communication will be made to employees.

EBS/Workterra will communicate with employees by the following means:

1. Face to Face – Direct contact by emergency responders (i.e. police, fire department, sheriff's department, medical response teams, etc.)
2. Runners – Group contact by Management/Safety Committee members moving from area to area
3. Media - Communication via local radio and television stations
4. Phone - Emergency phone tree
5. E-mail – Mass messages to provide information

The "all clear" signal may not come following the initial earthquake. Aftershocks can occur for some time, but will diminish over a period of time.

E. Responsibility and Control:

Emergency responders will have total control of the scene (i.e. police, fire department, sheriff's department, medical response teams, etc.).

F. Emergency and Training Plans:

Notification:

There will be no opportunity for notification. So it is important to understand the definition of an earthquake and how to recognize it. An earthquake is a sudden rapid shaking or trembling of the earth's surface, and could be highly destructive. It will occur without warning and a strong earthquake will cause severe damage and a large number of casualties over a wide area. Aftershocks may occur for some period of time, but will diminish gradually over time.

Specific Actions:

If an earthquake is identified, the following specific actions will be taken to insure the safety of all employees.

Preparation:

Know the safest places in your office or work area. These areas should be away from bookcases, file cabinets, appliances, and large panes of glass (windows, mirrors, etc.).

During an Earthquake:

1. If you are indoors, drop to the floor. Take cover under a sturdy desk or table. Hold the position until the ground stops shaking and it is safe to move. Stay clear of windows, bookcases, file cabinets or appliances. Stay inside. If you are in a crowded area, take cover and stay where you are; encourage others to do likewise.
2. If you are outside, get into the open, away from buildings and power lines. Be watchful for falling glass and building debris.
3. If you are driving, stop if it is safe, but stay inside your car. Stay away from bridges, overpasses and tunnels. Move your car as far out of the normal traffic pattern as possible. If possible, avoid stopping under trees, light posts, power lines or signs.

After an Earthquake:

1. Check for injuries. Do not move a seriously injured person unless he or she is in immediate danger of further injuries. If you need emergency assistance, call 911, or notify Management Staff and/or the Safety Committee.
2. Be aware of any structural damage around you, and if necessary and safe to do, carefully leave the building per the "Building Evacuation" guidelines.
3. Always check for hazards, damaged electrical wiring, fire or potential fire hazards.
4. Watch for downed or damaged utility lines. Stay away from downed lines, even if power appears to be off.
5. Be aware of fallen objects in closets and cabinets. Displaced objects may fall when you open the door.
6. Make sure each phone is on its receiver. Telephones off the hook can tie up the telephone network.
7. Shut down your computer.
8. Notify Management and/or Safety Committee members of potentially harmful materials that may have spilled.
9. Expect aftershocks. Most of these are smaller than the main earthquake. Some may be large enough to do additional damage to weakened structures.
10. If you are instructed to evacuate the building, follow the "Building Evacuation" plan.

Building Evacuation

In the event the building needs to be evacuated, Management Staff and the Safety Committee will instruct employees to leave the building.

1. Employees should walk quickly to the nearest safe exit and ask others to do the same. **Do not use elevators to exit the building.**
2. Management Staff and Safety Committee members will check all areas of the office and evacuate the building using the internal procedures established by the safety team.
3. Management and/or Safety Committee members should be aware of any disabled individuals and assist them in exiting the building.
4. Once outside, Management Staff and Safety Committee members will meet at the designated location and report any pertinent information to the emergency responders.
5. Wait for further instructions or the "all clear" from emergency responders.

Prior to Building Evacuation each Management Staff and Safety Committee member should:

1. Be equipped with a flashlight and whistle.
2. Know the location of your fire extinguishers.
3. Develop your own internal procedures and check in system with your safety team. Each team member will designate a place outdoors where they will check in and exchange pertinent information. Management Staff and Safety Committee members will then proceed to meet with employees at the designated location/s.

4. During Injury & Illness Prevention Program (IIPP) training, all employees will be informed of the designated location/s to meet once they have evacuated the building.
5. Be aware of any disabled employees and establish a special evacuation plan. This plan is to be implemented for visually and hearing impaired employees, those who use wheelchairs and crutches, as well as those who have difficulty walking out of the building but do not use mechanical assistance.
 - a. Recruit at least three (3) people for each disabled employee to assume responsibility for assisting them with evacuation.
 - b. Each person recruited should know the location of the disabled employee and his/her limitations as well as his/her's capacity for self help.
 - c. The disabled employee should know who has volunteered to be of help.

Prior to building evacuation employees will be informed to:

1. Proceed to the nearest safe exit and leave the building.
2. Meet Management Staff and Safety Committee members at the designated place outside and away from the building.
3. Remain away from the building until the "all clear" signal is given.

A. Reporting a Fire Emergency:

To report a fire emergency, alert others, immediately cease all operations and exit the building. Contact the Fire Department by dialing 911.

B. Evacuation Policy:

In the event of a fire, all employees shall evacuate the workplace immediately by means of the nearest safe stairwell exit. Proceed as quickly as possible in an orderly manner. Accompany and assist handicapped personnel, visitors, and any co-workers who appear to need calm direction or assistance. Do not push or shove. Hold handrails when you are walking on stairs. **DO NOT USE ELEVATORS TO EXIT THE BUILDING.**

C. Use of Portable Fire Extinguishers:

Use a portable fire extinguisher ONLY if you have been trained by the fire department and in the following conditions:

- The fire is confined to a small area and is not growing.
- The room is not filled with smoke.
- Everyone has exited the building.
- The fire department has been called.

If you have been trained to use a portable fire extinguisher and if the fire is small in size, attempt to extinguish the fire. Do not jeopardize your safety under any circumstances – be ready to evacuate if the fire cannot be quickly extinguished.

D. Accounting for Employees after Evacuation:

Management Staff and the Safety Committee are responsible for ensuring that all employees evacuate the area and proceed to EBS' designated evacuation assembly area. In addition, every employee should check that all others in the area are leaving as instructed. Management Staff and the Safety Committee are responsible for accounting for all employees at the assembly area after an evacuation. DO NOT re-enter the building to look for missing personnel. Report the last known location of any missing employees to Management Staff or the Safety Committee.

ONCE EVACUATED, DO NOT RE-ENTER THE BUILDING UNTIL POLICE OR FIRE PERSONNEL HAVE DETERMINED THAT IT IS SAFE.

Employee Data

This Appendix is not published in Customer version of the plan but does include the following for the EBS/Workterra staff:

- Employee Name
- Position/Title
- Home Address
- Home Telephone Number
- Work Telephone Number
- Cell Number

Call Trees

The person or persons who are first notified of an emergency that may potentially require the implementation of the business continuity plan will be responsible for contacting the CEO or CTO of Workterra as the top priority.

The CEO and the CTO will ensure that the other has been notified

That intake person will also be responsible for contacting the IT Director who will report immediately to the CEO/CTO

The CEO and or CTO will contact the COO

The COO will be responsible for contacting the Workterra Account Executive Manager

The Workterra Account Executive Manager and the COO will determine the list of personnel that each is responsible for contacting and the exact message that will be shared with each.

The Workterra version of this appendix has all contact information included for each person noted both home and cell phone numbers as well as alternative numbers (spouse or other).

Site Profile

The Workterra Stage site which acts as the Workterra production warm site is located at 5934 Gibraltar Drive Suites 101, 200 and 206 Pleasanton, CA 94588.

5934 Gibraltar is a two story building located in the town of Pleasanton, CA which is part of Alameda County. It is class B office space and there are no known hazardous chemicals in the building.

The building is managed by CB Richard Ellis.

The rented square footage is approximately 15,918 square feet which includes 6,225 square feet in suite 101, 4,416 square feet in suite 200 and 5,277 square feet in suite 206.

Suite 101 is located on the first floor, suites 200 and 206 are located on the second floor.

There are three airports easily accessible from Pleasanton CA include in order of closest proximity:

Oakland International Airport located at: 1 Airport Drive
Oakland, CA 94621 (510) 563-3300 the website is www.oaklandairport.com

San Francisco International Airport located at:

San Francisco International Airport (SFO), San Francisco, CA 94128, USA website is: www.flysfo.com (Note SFO does not list a specific street address and is located approximately 13 miles south of the City of San Francisco off of highway 101.

Norman Y. Mineta San Jose International Airport is located at: 1701 Airport Boulevard, Suite B-1130
San Jose, CA 95110-1206 website www.flysanjose.com

Systems

Warm Site Recovery

Disaster Recovery Procedure:

David Rhodes the CEO of Workterra or the next highest ranking authorized person at Workterra in the event that David is unavailable will be responsible for the declaration of an emergency and the activation for the business continuity plan.

The authorized personnel will only be responsible for the declaration and activation of the plan in the event that David Rhodes is unavailable for a period of one hour or more from the time of notification of an emergency at the Terremark facility.

An emergency that will require the activation of the business continuity plan is one that has been deemed to completely interrupt or severely compromise the critical applications of Workterra (see Appendix A) for a period greater than 48 hours.

Authorization to Declare an Emergency and initiate the activation of the Business Continuity processes in order of authority:

Amit Thorve
Russell Darrin
Wayne Nicholls

The warm site for the Workterra software is owned and maintained by Workterra and is located in Pleasanton, CA.

The warm site hardware configuration will be maintained to include no fewer than:

- 2 Web servers
- 2 App servers
- 1 Data Base server
- 1 Report server

The hardware is maintained in a secure environment which includes passkey access to the office in general that logs each entry into the office suite, security cameras that monitor all doors and the entire floor space of the office suite, key code access to the server room, keyed entry to the main cage that houses the hardware, and keyed entry to each individual cage within the main cage.

The key codes and actual keys to the servers are held by the CEO, CTO, and IT manager only. All entry to the server space is logged and there are security cameras located on the outside and inside of the door. There are also heat sensors that notify the CEO, CTO and IT manager as well as 2 other Workterra personnel of changes in temperature via text, and full fire suppression equipment.

The warm site network configuration will be maintained to include firewall and intrusion protection tools. The bandwidth of the Workterra stage/warm will be maintained at 1gigabyte at a minimum.

Vital Records Storage

Back up data is maintained offsite by Terremark as outlined in their SSAE16 report.