CirrusDCS Master Services Agreement

This Master Services Agreement is made on [DATE] (the "Effective Date") by and between ZK Technology, a New Jersey limited liability company, located at 200 Centennial Avenue, Suite 211, Piscataway, NJ, 08854, ("ZKTeco"), and the City of New Braunfels, 550 Land Street, New Braunfels, TX 78130 ("Customer"), individually a "Party" and collectively the "Parties". The Parties agree as follows:

1. DEFINITIONS

1.1. **"Agreement"** means this Master Services Agreement, and unless otherwise stated, includes all Order Forms, and any addendums, schedules, exhibits, or attachments to any of the foregoing.

1.2. **"Ancillary Program"** means any software agent or tool owned or licensed by ZKTeco that ZKTeco makes available to Customer for download as part of the Hosted Services for purposes of facilitating Customer's access to, operation of, and/or use with, the Services Environment.

1.3. "**Biometric Data**" means any information based on an individual's retina or iris scan, fingerprint, voiceprint, or scan of hand or face geometry which is used to identify an individual, regardless of how it is captured, converted, stored or shared.

1.4. "**Customer**" refers to the individual or entity that has executed this Agreement.

1.5. "**Customer's Application**" means Customer's instance of the HCM/Workforce Management Hosted Software that provides the application programming interface (API) for connectivity to the CirrusDCS provided by ZKTeco. Services under this Agreement, including ZKTeco Programs and Services Environments, ZKTeco intellectual property, and all derivative works thereof, do not fall within the meaning of the term "Customer's Applications."

1.6. "**Customer's Content**" means data sourced from Customer's instance of an HCM/Workforce Management Hosted Software for distribution to ZKTeco terminals provided for use by end users, and punch data retrieved from time clocks as actuated by those end users.

1.7. **"Governmental Authority"** means any nation or government, any state or other political subdivision thereof and any entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government.

1.8. **"Hardware"** means any time clock device sold by ZKTeco for use with Hosted Services, a description of which shall be included in any related Order Form, as defined herein.

1.9. "**HCM/Workforce Management Hosted Software**" means any human capital management or workforce management hosted software (e.g., Workday or SAP) utilized by Customer and integrated with the Hosted Services (as defined in section 1.10).

1.10. "**Hosted Services**" and **"CirrusDCS"** means, collectively, the CirrusDCS hosted service, a SaaS time clock solution specifically built for and integrated with an HCM/Workforce Management Hosted Software, and the Services described in the Customer's Order Form and in Schedule 2(A). The term "Hosted Services" does not include Professional Services.

1.11. "**Law**" means any applicable statute, law, ordinance, regulation, rule, code, order, constitution, treaty, common law, judgment, decree, other requirement or rule of law of any Governmental Authority.

1.12. **"Material" or "Materials"** shall have the means established in section 5.2(f).

1.13. **"Order Form" or "Order"** refers to each ZKTeco ordering document signed by duly authorized representatives of both Parties which references this Agreement, identifies the Services ordered by Customer from ZKTeco, sets forth the prices for the Services, and contains other applicable information, terms and conditions.

1.14. "**Personal Data**" means any information that identifies, relates to, describes, is reasonably capable of being associated with, or could reasonably be linked, directly or indirectly, with a particular employee or designated User.

1.15. "**Professional Services**" means, collectively, the consulting, design, training, and any other deliverables described in Customer's Order Form, including those specified in Schedule 2, section B. The term "Professional Services" does not include Hosted Services.

1.16. "**Program Documentation**" refers to program user manuals, guides, or other materials for the ZKTeco Programs and any help windows and readme files for such ZKTeco Programs that are accessible from within the Services. The Program Documentation describes technical and functional aspects of the ZKTeco Programs.

1.17. "**Program Markings**" refers to ZKTeco logos, CirrusDCS logos, software ownership markings within ZKTeco Programs, and any other logo or symbol owned and/or used by ZKTeco.

1.18. "**Separate Terms**" refers to separate license terms that are specified in the Program Documentation, Service Specifications, readme or notice files, and that apply to Ancillary Programs.

1.19. "**Services**" means, collectively, both the Hosted Services and Professional Services that Customer has ordered.

1.20. "**Services Environment**" refers to the combination of hardware and software components owned, licensed or managed by ZKTeco to which ZKTeco grants Customer access as part of the Hosted Services, which Customer have ordered. As applicable and subject to the terms of this Agreement and Customer's Order Form, ZKTeco Programs, Ancillary Programs, Customer's Content and Customer's Applications may be hosted in the Services Environment.

1.21. **"Service Specifications"** means any documentation provided to Customer by ZKTeco, including but not limited to Program Documentation, the Order Form, and this Agreement, describing Services, Service Period, and ZKTeco Programs.

1.22. **"Services Period"** refers to the period of time for which Customer ordered Hosted Services as specified in Customer's Order Form.

1.23. **"Service Level Agreement"** or **"SLA"** means ZKTeco's Service Level Agreement attached to this Agreement (see Schedule 4).

1.24. **"Software as a Service"** or **"SaaS"** means, collectively, the online, web-based applications and platform provided by ZKTeco and ordered by Customer pursuant to this Agreement and as specified in one or more Order Form(s).

1.25. **"Successor in Interest"** In the event of a sale or other reorganization of Customer, the provisions of this Agreement shall be binding upon and inure to the benefit of the entity surviving or resulting from such sale or reorganization. Customer shall require such surviving entity to assume and agree to perform this Agreement in the same manner and to the same extent that Customer would have been required to perform it if no such succession had taken place.

1.26. **"Users"** means those employees, contractors, and end users, as applicable, authorized by Customer or on Customer's behalf to use the Hosted Services in accordance with this Agreement and Customer's Order Form.

1.27. **"ZKTeco Programs"** refers to the software products owned or licensed by ZKTeco to which ZKTeco grants Customer access as part of the Hosted Services, including Program Documentation, and any program updates provided as part of the Hosted Services. The term "ZKTeco Programs" do not include Ancillary Programs.

2. **CONTRACTED SERVICES**

2.1. ZKTeco will provide to Customer the Services pursuant to this Agreement and the relevant Order Form or Order Forms. Services will be provided pursuant to this Agreement and the specifications set forth in the applicable Order Form, and substantially in accordance with the specifications set forth in the SLA.

2.2. **Implementation and Project Management**. ZKTeco shall work with Customer to create and agree to an Order Form that establishes Customer's Services requirements and a plan for implementation. Implementation services will be considered professional services and billed separately from Hardware or Hosted Services, as established in Schedule 6 to this Agreement. Any change requests by Customer after the first Order Form has been agreed to shall be documented in subsequent Order Form or Order Forms. Each Order Form shall be considered incorporated as a part of this Agreement.

2.3.   **Testing and Acceptance**. ZKTeco will work with Customer to implement Services pursuant to this Agreement and the relevant Order Form or Order Forms. The ZKTeco implementation process, as established in the Order Form, is broken into milestones. Each milestone requires Customer approval before moving to the next implementation step. An invoice will be generated for each milestone, per Schedule 3. Non-implementation related Order Forms, shall be deemed completed when ZKTeco delivers the Hardware or configures the Services as agreed to by the Parties and as described on the Order Form or Order Forms.

2.4. **Hosted Services**. Hosted Services, as listed in Schedule 2, Section (A), are included as part of the monthly hosting fee. Hosted Services are billed on an on-going basis, as established in the Customer Order Form and the Invoicing and Payment Schedule, attached here as Schedule 3.

2.5. **Professional Services.** Professional Services, as listed in Schedule 2, Section (B), will be provided and billed separately from Hosted Services, with prior approval from Customer.

2.6. **Support Services**. ZKTeco shall provide standard technical support for the Services at no additional charge, as described in SLA found in Schedule 4 to this Agreement, which may be updated from time to time.

3. **TERM OF AGREEMENT**

3.1. **Initial Term**. This Agreement begins on the Effective Date, and will continue for one (1) year (the "Initial Term").

3.2. **Renewal.** After the Initial Term, the contract can be renewed for additional terms (each a "Renewal Term"). ZKTeco will contact Customer sixty (60) days prior to the end of the Initial Term and each Renewal Term with a request that Customer respond with notice of renewal or non-renewal no less than 30 days before the end of the current Term. If no notice is provided, ZKTeco will renew the Services on the anniversary of the Effective Date of the Term for a Renewal Term.

3.3. This Agreement is valid for the Order Form or Order Forms which this Agreement accompanies. This Agreement may also be referenced for any purchase that increases the quantity of the original Services ordered (e.g., for additional time clock devices), for any Hosted Services options offered by ZKTeco for the original Services ordered, and for any renewal of the Services Period of the original Order.

4. **RIGHTS GRANTED**

4.1. For the duration of the Services Period and subject to Customer's payment obligations, and except as otherwise set forth in this Agreement or Customer's Order, Customer has the non-exclusive, non-assignable royalty free, worldwide limited right to access and use the Services that Customer ordered, including anything developed by ZKTeco and delivered to Customer as part of the Services, solely for Customer's internal business operations and subject to the terms of this Agreement and Customer's Order, including the Service Specifications. Customer may allow Customer's Users to use the Services for this purpose

and Customer is responsible for Customer's Users' compliance with this Agreement and the Order.

4.2. Customer does not acquire under this Agreement any right or license to use the Services, including the ZKTeco Programs and Services Environment, in excess of the scope and/or duration of the Services stated in Customer's Order. Upon the end of the Services ordered, Customer's right to access and use the Services will terminate.

4.3. To enable ZKTeco to provide Customer and Customer's Users with the Services, Customer grants ZKTeco the right to use, process and transmit, in accordance with this Agreement and Customer's Order, Customer's Application for the duration of the Services Period plus any additional post-termination period during which ZKTeco provides Customer with access to retrieve an export file from Customer's Application. If Customer's Application includes third party programs, Customer acknowledges that ZKTeco may allow providers of those third party programs to access the Services Environment, including Customer's Applications, as required for the interoperation of such third party programs with the Services. ZKTeco will not be responsible for any use, disclosure, modification or deletion of Customer's Content or Customer's Application resulting from any such access by third party program providers or for the interoperability of such third party programs with the Services.

4.4. As part of certain Hosted Services offerings, ZKTeco may provide Customer with access to Ancillary Programs within the Services Environment. The type and scope of any Ancillary Program is defined in the Service Specifications applicable to Customer's Order. The third party owner, author or provider of such Ancillary Program retains all ownership and intellectual property rights in and to that content, and Customer's rights to use such technology are subject to, and governed by, the terms applicable to such content as specified by such third party owner, author or provider.

5. **OWNERSHIP AND RESTRICTIONS**

5.1. Customer retains all ownership and intellectual property rights in and to Customer's Content and Customer's Applications. ZKTeco or its licensors retain all ownership and intellectual property rights to the Services, including ZKTeco Programs and Ancillary Programs, and derivative works thereof, and to anything developed or delivered by or on behalf of ZKTeco under this Agreement.

5.2. Customer may not, or cause or permit others to:

(a) remove or modify any Program Markings or any notice of ZKTeco's or its licensors' proprietary rights;

(b) make the Program Documentation or ZKTeco Programs resulting from the Services (excluding Customer's Content and Customer's Applications) available in any manner to any third party for use in the third party's business operations (unless such access is expressly permitted for the specific Services Customer has acquired);

(c) modify, make derivative works of, disassemble, decompile, or reverse engineer any part of the Services (the foregoing prohibition includes but is not limited to review of

data structures or similar materials produced by programs), or access or use the Services in Order to build or support, and/or assist a third party in building or supporting, products or Services competitive to ZKTeco;

(d) perform or disclose any benchmark or performance tests of the Services, including the ZKTeco Programs, without ZKTeco's prior written consent;

(e) perform or disclose any of the following security testing of the Services Environment or associated infrastructure without ZKTeco's prior written consent: network discovery, port and service identification, vulnerability scanning, password cracking, remote access testing, or penetration testing; and

(f) license, sell, rent, lease, transfer, assign, distribute, display, host, outsource, disclose, permit timesharing or service bureau use, or otherwise commercially exploit or make the Services, ZKTeco Programs, Ancillary Programs, Services Environments or materials (together "Material" or "Materials") available, to any third party, other than as expressly permitted under the terms of the applicable Order.

5.3. The rights granted to Customer under this Agreement are also conditioned on the following:

(a) except as expressly provided herein or in Customer's Order, no part of the Services may be copied, reproduced, distributed, republished, downloaded, displayed, posted or transmitted in any form or by any means, including but not limited to electronic, mechanical, photocopying, recording, or other means; and

(b) Customer makes every reasonable effort to prevent unauthorized third parties from accessing the Services.

6. SERVICE SPECIFICATIONS

6.1. The Services are subject to and governed by Customer's Order Form and this Agreement.

6.2. Customer acknowledges that use of the Services in a manner not consistent with the Service Specifications may adversely affect Services performance and/or may result in additional fees.

6.3. ZKTeco may make changes or updates to the Services (such as infrastructure, security, technical configurations, application features, etc.) during the Services Period, including to reflect changes in technology, industry practices, patterns of system use, and availability of Ancillary Programs, but in no event shall any such changes or updates materially degrade the functionality of the Services. The Service Specifications are subject to change at ZKTeco's discretion; however, ZKTeco changes to the Service Specifications will not result in a material reduction in the level of performance or availability of the applicable Services provided to Customer for the duration of the Services Period.

7. USE OF THE SERVICES

7.1. Customer is responsible for identifying and authenticating all Users, for approving access by such Users to the Services, for controlling against unauthorized access by Users, and for maintaining the confidentiality of usernames, passwords and account information. By federating or otherwise associating Customer's usernames, passwords and accounts with

ZKTeco, Customer accepts responsibility for the timely and proper termination of User records in Customer's local (intranet) identity infrastructure or on Customer's local computers. ZKTeco is not responsible for any harm caused by Customer's Users, including individuals who were not authorized to have access to the Services but who were able to gain access because usernames, passwords or accounts were not terminated on a timely basis in Customer's local identity management infrastructure or Customer's local computers. Customer is responsible for all activities that occur under Customer's and Customer's usernames, passwords or accounts or as a result of Customer's or Customer's Users' access to the Services, and agrees to notify ZKTeco immediately of any unauthorized use.

7.2. Customer agrees not to use or permit use of the Services, including by uploading, emailing, posting, publishing or otherwise transmitting any material, including Customer's Content, Customer's Applications and Ancillary Programs, for any purpose that may (a) menace or harass any person or cause damage or injury to any person or property, (b) involve the publication of any material that is false, defamatory, harassing or obscene, (c) violate privacy rights or promote bigotry, racism, hatred or harm, (d) constitute unsolicited bulk e-mail, "junk mail", "spam" or chain letters; (e) to the best of its knowledge constitute an infringement of intellectual property or other proprietary rights, or (f) otherwise violate applicable Laws, ordinances or regulations. In addition to any other rights afforded to ZKTeco under this Agreement, ZKTeco reserves the right, but has no obligation, to take remedial action if any material violates the foregoing restrictions, including the removal or disablement of access to such material. ZKTeco shall have no liability to Customer in the event that ZKTeco takes such action. Customer shall have sole responsibility for the accuracy, quality, integrity, legality, reliability, appropriateness and ownership of all of Customer's Content and Customer's Applications. Customer agrees to defend and indemnify ZKTeco against any claim arising out of a violation of Customer's obligations under this section.

7.3. Customer is required to accept all patches, bug fixes, updates, maintenance and service packs (collectively, "Patches") necessary for the proper function and security of the Services, including for the ZKTeco Programs, as such Patches are generally released by ZKTeco as described in the Service Specifications. Except for emergency or security related maintenance activities, ZKTeco will notify Customer regarding the scheduling of application of Patches, where possible, based on ZKTeco's next available standard maintenance window.

8. TRIAL USE AND PILOT HOSTED SERVICES

8.1. ZKTeco may make available certain Hosted Services for trial, non-production purposes. Hosted Services for trial purposes must be ordered under a separate Agreement. Hosted Services acquired for trial purposes are provided on an "as is" and "as available" basis and may not be used with production data that has not been masked, anonymized or otherwise rendered unreadable. ZKTeco does not provide technical or other support or offer any warranties for such Services.

8.2. ZKTeco may make available "conference room pilots" for certain Hosted Services under this Agreement. Conference room pilots are provided solely for Customer to evaluate and

test the Hosted Services for Customer's internal business purposes. Conference room pilots are provided by ZKTeco on an "as is" and "as available" basis, and ZKTeco does not provide technical or other support or offer any warranties for such services. Customer agrees not to include any production data in Customer's conference room Services Environment. Customer may be required to order certain Professional Services as a prerequisite to an order for a conference room pilot.

8.3. ZKTeco may make available "production pilots" for certain Hosted Services under this Agreement. Production pilots ordered by Customer are described in the Service Specifications applicable to Customer's Order Form, and are provided solely for Customer to evaluate and test Hosted Services for Customer's internal business purposes. Customer may be required to order certain Professional Services as a prerequisite to an order for a production pilot.

9. FEES AND TAXES

9.1. Customer shall pay all fees specified in the Customer's Order Form and the invoicing and payment schedule (Schedule 3). All fees payable to ZKTeco are due within 30 days from the invoice date. Once placed, Customer's Order is non-cancelable and the sums paid nonrefundable, except as provided in this Agreement or Customer's Order. Also, Customer will reimburse ZKTeco for reasonable expenses related to providing any Professional Services. Fees for Services listed in an Order are exclusive of taxes and expenses.

9.2. Customer understand that Customer may receive multiple invoices for the Services Customer ordered. Invoices will be submitted to Customer pursuant to the schedule and invoicing terms on Customer's Order.

9.3. Customer agrees and acknowledges that Customer has not relied on the future availability of any Services, programs or updates in entering into the payment obligations in Customer's Order; however, the preceding does not relieve ZKTeco of its obligation during the Services Period to deliver Services that Customer has ordered per the terms of this Agreement.

9.4. Taxes and Duties.

(a) Customer shall bear and pay all taxes ("Taxes") (including, but not limited to sales, use, value added, registration, ad valorem, excise, employment, consumption, and documentary taxes), custom duties, import surcharges or other governmental charges to be imposed or charged by applicable law, in connection with the sale of Services and Hardware, except based on ZKTeco's income.

(b) The prices quoted on an Order Form shall be equitably adjusted by an amended Order Form for additional costs resulting from any change in Law including increased Taxes (as defined in 9.4(a)) enacted after the date of this Agreement or after any agreed to Order Form. This provision shall only apply to Hardware.

10. TERMINATION OR SUSPENSION OF SERVICES

10.1. Services provided under this Agreement shall be provided for the Services Period defined in Customer's Order, unless earlier suspended or terminated in accordance with this Agreement or the Order.

10.2. Upon the end of the Services, Customer no longer has rights to access or use the Services, including the associated ZKTeco Programs and Services Environments; however, at Customer's request, and for a period of up to 60 days after the end of the applicable Services at Customer's expense, ZKTeco will make available to Customer Customer's content and Customer's Applications as existing in the Services Environment on the date of termination. At the end of such 60-day period, and except as may be required by Law, ZKTeco will delete all Customer Content and Customer Applications that remain in the Services Environment (e.g. punch data collected from the time clock device).

10.3. ZKTeco may temporarily suspend Customer's password, account, and access to or use of the Services if Customer violates any provision within the 'Rights Granted', 'Ownership and Restrictions', 'Fees and Taxes', 'Use of the Services', or 'Export' sections of this Agreement, or if in ZKTeco's reasonable judgment, the Services or any component thereof are about to suffer a significant threat to security or functionality. ZKTeco will provide advance notice to Customer of any such suspension in ZKTeco's reasonable discretion based on the nature of the circumstances giving rise to the suspension. ZKTeco will use reasonable efforts to re-establish the affected Services promptly after ZKTeco determines, in its reasonable discretion, that the situation giving rise to the suspension has been cured; however, during any suspension period, ZKTeco will make available to Customer Customer's Content and Customer's Applications as existing in the Services Environment on the date of suspension. ZKTeco may terminate the Services under an Order if any of the foregoing causes of suspension is not cured within 30 days after ZKTeco's initial notice thereof. Any suspension or termination by ZKTeco under this paragraph shall not excuse Customer from Customer's obligation to make payment(s) under this Agreement.

10.4. If either Party breaches a material term of this Agreement and fails to correct the breach within 30 days of written specification of the breach, then the breaching party is in default and the non-breaching party may terminate the Order under which the breach occurred. If ZKTeco terminates the Order as specified in the preceding sentence, Customer must pay within 30 days all amounts that have accrued prior to such termination, as well as all sums remaining unpaid for the Services ordered under this Agreement plus related taxes and expenses. Except for nonpayment of fees, the non-breaching party may agree in its sole discretion to extend the 30-day period for so long as the breaching party continues reasonable efforts to cure the breach. Customer agrees that if Customer is in default under this Agreement and such default has not been cured within 30 days after its receipt of written notice of the default, Customer may not use those Services ordered.

10.5. Provisions that survive termination or expiration of this Agreement are those relating to limitation of liability, infringement indemnity, payment and others which by their nature are intended to survive.

11. NONDISCLOSURE

11.1. By virtue of this Agreement, the Parties may have access to information that is confidential to one another ("Confidential Information"). The Parties each agree to disclose only information that is required for the performance of obligations under this Agreement. Confidential Information shall be limited to the terms and pricing under this Agreement, Customer's Content and Customer's Applications residing in the Services Environment, and all information clearly identified as confidential at the time of disclosure.

11.2. A Party's Confidential Information shall not include information that: (a) is or becomes a part of the public domain through no act or omission of the other party; (b) was in the other party's lawful possession prior to the disclosure and had not been obtained by the other party either directly or indirectly from the disclosing party; (c) is lawfully disclosed to the other party by a third party without restriction on the disclosure; or (d) is independently developed by the other party.

11.3. The Parties agree not to disclose the other's Confidential Information to any third party other than as set forth in the following sentence for a period of three years from the date of the disclosing party's disclosure of the Confidential Information to the receiving party; however, ZKTeco will hold Customer's Confidential Information that resides within the Services Environment in confidence for as long as such information resides in the Services Environment. We each may disclose Confidential Information only to those employees, agents or subcontractors who are required to protect it against unauthorized disclosure in a manner no less protective than required under this Agreement. ZKTeco will protect the confidentiality of Customer's Content or Customer's Applications residing in the Services Environment in accordance with the ZKTeco security practices defined as part of the Service Specifications applicable to Customer's Order. In addition, Customer's personal data will be treated in accordance with the terms of Section 12 below. Nothing shall prevent either party from disclosing the terms or pricing under this Agreement or orders placed under this Agreement in any legal proceeding arising from or in connection with this Agreement or from disclosing the Confidential Information to a governmental entity as required by Law.

12. DATA PROTECTION AND DATA PRIVACY

12.1. ZKTeco Data Protections and Data Privacy.

(a) In performing the Services, ZKTeco will comply with the ZKTeco Services Privacy Policy, attached to this Agreement as Schedule 5 and incorporated by reference and all applicable data protection laws. The ZKTeco Services Privacy Policy is subject to change at ZKTeco's discretion; however, ZKTeco policy changes will not result in a material reduction in the level of protection provided for Customer's personal data provided as part of Customer's content during the Services Period of Customer's Order.

(b) To the extent that ZKTeco Hardware and Hosted Services collects, captures, stores, or otherwise uses Biometric Data on behalf of Customer, ZKTeco may require Users to

consent to ZKTeco's use of the User's Biometric Data before using any Hardware that uses Biometric Data to track employee time and attendance. This consent will (i) inform the individual from whom Biometric Data will be collected, in writing and prior to collecting his or her Biometric Data, that Biometric Data is being collected, stored, and/or used; (ii) indicate, in writing, the specific purpose(s) (which may not be other than employment-related purposes) and length of time for which Biometric Data is being collected, stored, and/or used; and (iii) receive consent, electronically from the individual (or his or her legally authorized representative) authorizing ZKTeco to collect, store, and/or use the Biometric Data and authorizing the Customer to disclose such Biometric Data to ZKTeco.

12.2. Customer Data Protections and Data Privacy.

(a) Customer certifies that it maintains its own data collection, disclosure, retention, and storage policies in compliance with all applicable laws. Where required by law, Customer certifies that it shall adopt and make available a privacy policy in alignment with all applicable laws governing the collection, use, transfer and retention of Personal Data. Customer agrees to provide ZKTeco, upon reasonable request, with Customer's adopted privacy policy.

(b) The Service Specifications applicable to Customer's Order define the administrative, physical, technical and other safeguards applied to Customer's Content residing in the Services Environment, and describe other aspects of system management applicable to the Services. Customer is responsible for any security vulnerabilities, and the consequences of such vulnerabilities, arising from Customer's Content and Customer's Applications, including any viruses, Trojan horses, worms or other programming routines contained in Customer's Content or Customer's Applications that could limit or harm the functionality of a computer or that could damage, intercept or expropriate data.

(c) To the extent that Customer collects, captures, stores, or otherwise uses Biometric Data relating to an individual, Customer certifies it shall (i) first inform the individual from whom Biometric Data will be collected, in writing and prior to collecting his or her Biometric Data, that Biometric Data is being collected, stored, and/or used; (ii) indicate, in writing, the specific purpose(s) (which may not be other than employment-related purposes) and length of time for which Biometric Data is being collected, stored, and/or used; and (iii) receive a written release from the individual (or his or her legally authorized representative) authorizing the Customer and ZKTeco, which shall be explicitly named, to collect, store, and/or use the Biometric Data and authorizing the Customer to disclose such Biometric Data to ZKTeco and any Customer third-party service providers. Customer agrees to provide a copy of any employee signed consent to ZKTeco upon request.

(d) To the extent that Customer collects, captures, stores, or otherwise uses User body temperature information, Personal Data, or any other data related to an individual, Customer certifies that is maintains its own policies in compliance with all applicable

Federal, state, and local laws. Customer agrees to provide ZKTeco, upon reasonable request, with Customer's adopted privacy policy.

(e) Thermal Device Disclaimer. Where Customer utilizes thermal imagining modules to capture User body temperature information, please be advised:

(i) The thermal module is not a medical device and is not intended for use in diagnosing disease or other conditions, or in the cure, mitigation, treatment, or disease prevention, and is not FDA-approved or cleared for such use.

(ii) Thermal sensor, when properly installed and configured, quickly returns a reading of an individual's skin surface temperature. A body temperature reading should be confirmed by a secondary evaluation method (e.g., an NCIT or clinical grade contact thermometer) and should not be solely or primarily relied upon to diagnose or identify a diagnosis of COVID-19 or any other disease.

(iii) Please note that it is the sole responsibility of any organization or employer that requires its employees to use the Ultima device and features, such as the thermal module, to determine and comply with all applicable employee and health information protection laws and regulations and any other law or regulation that may apply to the use of the thermal modules or any other Ultima function.

(f) Customer certifies that it has adopted a commercially reasonable policy for managing data requests from Users, which shall safeguard the rights of Users and respect the original purpose of such data collection. Customer, as the Party which determines the means and purposes for processing Customer Content, shall be responsible for receiving, investigating, documenting, and responding to all User requests for inspection or erasure of Personal Data.

(g) Customer certifies that any requests received from a User to exercise such individual's rights under applicable data protection laws, and Customer requires ZKTeco's assistance to respond to such request in accordance with applicable data protection laws, ZKTeco shall assist the Customer by providing any necessary information and documentation that is under ZKTeco's control. ZKTeco shall be given reasonable time to assist the Customer with such requests in accordance with applicable law.

13. WARRANTIES, DISCLAIMERS AND EXCLUSIVE REMEDIES

13.1. ZKTeco warrants that it will perform (i) Hosted Services in all material respects as described in the Service Specifications, and (ii) Professional Services in a professional manner in accordance with the Service Specifications. If the Services provided to Customer are not performed as warranted, Customer must promptly provide written notice to ZKTeco that describes the deficiency in the Services (including, as applicable, the service request number notifying ZKTeco of the deficiency in the Services).

13.2. ZKTECO DOES NOT GUARANTEE THAT (A) THE SERVICES WILL BE PERFORMED ERROR-FREE OR UNINTERRUPTED, OR THAT ZKTECO WILL

CORRECT ALL SERVICES ERRORS, (B) THE SERVICES WILL OPERATE IN COMBINATION WITH CUSTOMER'S CONTENT OR CUSTOMER'S APPLICATIONS, OR WITH ANY OTHER HARDWARE, SOFTWARE, SYSTEMS OR DATA NOT PROVIDED BY ZKTECO, AND (C) THE SERVICES WILL MEET CUSTOMER'S REQUIREMENTS, SPECIFICATIONS OR EXPECTATIONS. CUSTOMER ACKNOWLEDGES THAT ZKTECO DOES NOT CONTROL THE TRANSFER OF DATA OVER COMMUNICATIONS FACILITIES, INCLUDING THE INTERNET, AND THAT THE SERVICES MAY BE SUBJECT TO LIMITATIONS, DELAYS, AND OTHER PROBLEMS INHERENT IN THE USE OF SUCH COMMUNICATIONS FACILITIES. ZKTECO IS NOT RESPONSIBLE FOR ANY DELAYS, DELIVERY FAILURES, OR OTHER DAMAGE RESULTING FROM SUCH PROBLEMS. ZKTECO IS NOT RESPONSIBLE FOR ANY ISSUES RELATED TO THE PERFORMANCE, OPERATION OR SECURITY OF THE SERVICES THAT ARISE FROM CUSTOMER'S CONTENT, CUSTOMER'S APPLICATIONS OR THIRD PARTY CONTENT. ZKTECO DOES NOT MAKE ANY REPRESENTATION OR WARRANTY REGARDING THE RELIABILITY, ACCURACY, COMPLETENESS, CORRECTNESS, OR USEFULNESS OF THIRD PARTY CONTENT, AND DISCLAIMS ALL LIABILITIES ARISING FROM OR RELATED TO THIRD PARTY CONTENT.

13.3. FOR ANY BREACH OF THE SERVICES WARRANTY, CUSTOMER'S EXCLUSIVE REMEDY AND ZKTECO'S ENTIRE LIABILITY SHALL BE THE CORRECTION OF THE DEFICIENT SERVICES THAT CAUSED THE BREACH OF WARRANTY, OR, IF ZKTECO CANNOT SUBSTANTIALLY CORRECT THE DEFICIENCY IN A COMMERCIALLY REASONABLE MANNER, CUSTOMER MAY END THE DEFICIENT SERVICES AND ZKTECO WILL REFUND TO CUSTOMER THE FEES FOR THE TERMINATED SERVICES THAT CUSTOMER PRE-PAID TO ZKTECO FOR THE PERIOD FOLLOWING THE EFFECTIVE DATE OF TERMINATION.

13.4. **EXCLUSIONS.** THE LIMITATIONS OF LIABILITY SET FORTH IN SECTION 14 SHALL NOT APPLY WITH RESPECT TO: (I) DAMAGES TO PERSONS AND/OR TANGIBLE PROPERTY OCCASIONED BY THE WILLFUL MISCONDUCT OR GROSS NEGLIGENCE OF A PARTY, (II) BREACHES BY CUSTOMER OF LICENSE TERMS APPLICABLE TO VENDOR PROVIDED SOFTWARE AND THIRD PARTY PRODUCTS AS SET FORTH ABOVE, (III) CUSTOMER'S UNAUTHORIZED USE OF VENDOR'S OR THIRD PARTY VENDOR'S INTELLECTUAL PROPERTY, MATERIALS OR ASSETS; (IV IN SECTION 5.1, (III) DAMAGES INCURRED AS A RESULT OF A BREACH BY A PARTY OF ITS OBLIGATIONS UNDER SECTION 11 THAT RESULT IN THE DISCLOSURE OF CONFIDENTIAL INFORMATION OF THE OTHER PARTY, OR (IV) CLAIMS THAT ARE THE SUBJECT OF INDEMNIFICATION PURSUANT TO SECTION 15 (WHICH ARE SUBJECT TO THE LIMITS, IF ANY CONTAINED THEREIN). DAMAGES AS LIMITED BY THIS SECTION 13 ARE CUSTOMER'S SOLE AND EXCLUSIVE REMEDY IF ANOTHER REMEDY IS PROVIDED AND SUCH REMEDY IS DEEMED TO FAIL OF ITS ESSENTIAL PURPOSE.

13.5. TO THE EXTENT NOT PROHIBITED BY LAW, THESE WARRANTIES ARE EXCLUSIVE AND THERE ARE NO OTHER EXPRESS OR IMPLIED WARRANTIES OR CONDITIONS INCLUDING FOR SOFTWARE, HARDWARE, SYSTEMS, NETWORKS OR ENVIRONMENTS OR FOR MERCHANTABILITY, SATISFACTORY QUALITY AND FITNESS FOR A PARTICULAR PURPOSE.

14. LIMITATION OF LIABILITY

NEITHER PARTY SHALL BE LIABLE FOR ANY INDIRECT, INCIDENTAL, SPECIAL, PUNITIVE, OR CONSEQUENTIAL DAMAGES, OR ANY LOSS OF REVENUE OR PROFITS (EXCLUDING FEES UNDER THIS AGREEMENT), DATA, OR DATA USE. ZKTECO'S MAXIMUM LIABILITY FOR ALL DAMAGES ARISING OUT OF OR RELATED TO THIS AGREEMENT OR CUSTOMER'S ORDER, WHETHER IN CONTRACT OR TORT, OR OTHERWISE, SHALL IN NO EVENT EXCEED, IN THE AGGREGATE, THE TOTAL AMOUNTS ACTUALLY PAID TO ZKTECO FOR THE SERVICES UNDER THE ORDER THAT IS THE SUBJECT OF THE CLAIM IN THE TWELVE (12) MONTH PERIOD IMMEDIATELY PRECEDING THE EVENT GIVING RISE TO SUCH CLAIM LESS ANY REFUNDS OR CREDITS RECEIVED BY CUSTOMER FROM ZKTECO UNDER SUCH ORDER.

15. INDEMNIFICATION

15.1. **Indemnification for Infringement Claims.** Subject to paragraph 15.5, ZKTeco (as an indemnifying party) shall indemnify Customer (as an indemnified party) against all losses and expenses arising out of any proceeding brought by a third party, and arising out of a claim that the Services infringe the third party's Intellectual Property rights.

15.2. **Qualifications for Indemnification**. ZKTeco will be required to indemnify Customer under paragraph 15.1 only if Customer's use of the Services complies with this agreement and Documentation related to the Services, the infringement was not caused by Customer modifying or altering the Services or Documentation related to the Services, unless ZKTeco consented to the modification or alteration in writing, and the infringement was not caused by Customer combining the Services with products not supplied by ZKTeco, unless ZKTeco consented to the combining in writing.

15.3. **Mutual Indemnification**. Each party (as an indemnifying party) shall indemnify the other (as an indemnified party) against all losses arising out of any proceeding brought by either a third party or an indemnified party, and arising out of the indemnifying party's breach of its obligations, representations, warranties, or covenants under this agreement, or willful misconduct or gross negligence.

15.4. **Indemnification for Data Protection and Privacy Duties and Obligations**. Customer shall defend, indemnify and hold harmless ZKTeco from and against all losses, damages, liabilities, deficiencies, actions, judgments, interest, awards, penalties, fines, costs or expenses of whatever kind, including reasonable attorneys' fees, the cost of enforcing any right to indemnification hereunder and the cost of pursuing any insurance providers,

arising out of or resulting from any third party claim against ZKTeco arising out of or resulting from Customer's failure to comply with any of its obligations established in section 12.2 of this Agreement or any applicable data privacy related Law.

15.5. **Exclusions**. ZKTeco will not indemnify Customer if the Customer (a) alters the Material or uses it outside the scope of use identified in ZKTeco's user or Program Documentation or Service Specifications, (b) uses a version of the Material which has been superseded, if the infringement claim could have been avoided by using an unaltered current version of the Material which was made available to Customer, or (c) continues to use the applicable Material after the end of the license to use that Material. ZKTeco will not indemnify Customer to the extent that an infringement claim is based upon any information, design, specification, instruction, software, service, data, hardware or material not furnished by ZKTeco. ZKTeco will not indemnify Customer for any portion of an infringement claim that is based upon the combination of any Material with any products or Services not provided by ZKTeco. ZKTeco will not indemnify Customer for infringement caused by Customer's actions against any third party if the Services as delivered to Customer and used in accordance with the terms of this Agreement would not otherwise infringe any third party intellectual property rights. ZKTeco will not indemnify Customer for any intellectual property infringement claim(s) known to Customer at the time Services rights are obtained.

15.6. This Section 15 provides the parties' exclusive remedy for any infringement claims or damages.

16. SERVICES TOOLS

ZKTeco may use tools, scripts, software, and utilities (collectively, the "Tools") to monitor and administer the Services and to help resolve Customer's ZKTeco service requests. The Tools will not collect or store any of Customer's Content or Customer's Applications residing in the Services Environment, except as necessary to provide the Services or troubleshoot service requests or other problems in the Services. Information collected by the Tools (excluding Customer's Content and Customer's Applications) may also be used to assist in managing ZKTeco's product and service portfolio, to help ZKTeco address deficiencies in its product and service offerings, and for license and Services management.

17. SERVICE ANALYSES

ZKTeco may (i) compile statistical and other information related to the performance, operation and use of the Services, and (ii) use data from the Services Environment in aggregated form for security and operations management, to create statistical analyses, and for research and development purposes (clauses i and ii are collectively referred to as "Service Analyses"). ZKTeco may make Service Analyses publicly available; however, Service Analyses will not incorporate Customer's Content or Confidential Information in a form that could serve to identify Customer or any individual, and Service Analyses do not constitute personal data. ZKTeco retains all intellectual property rights in Service Analyses.

18. SHIPPING, DUTIES, AND EXPORT

18.1. Domestic shipments by ZKTeco are F.O.B Piscataway, NJ, USA, as defined in the Uniform Commercial Code. All international shipments by ZKTeco are Ex -Works, Piscataway, NJ, USA, as defined by INCOTERMS 2020. Risk of loss for Hardware will transfer to Customer upon ZKTeco presenting Hardware to carrier. If ZKTeco prepays shipping, insurance, or other related costs, Customer agrees to reimburse ZKTeco promptly for the actual costs incurred by ZKTeco, except as where otherwise agreed to in an Order Form.

18.2. Customer shall be responsible for all taxes, import duties and/or other payments required by all applicable Law, as established in section 9.4 of this Agreement.

18.3. Export Laws and regulations of the United States and any other relevant local export Laws and regulations apply to the Services. Customer agrees that such export Laws govern Customer's use of the Services (including technical data) and any Services deliverables provided under this Agreement, and Customer agrees to comply with all such export Laws and regulations (including "deemed export" and "deemed re-export" regulations). Customer agrees that no data, information, software programs and/or materials resulting from Services (or direct product thereof) will be exported, directly or indirectly, in violation of these Laws, or will be used for any purpose prohibited by these Laws.

19. FORCE MAJEURE

Neither Party shall be responsible for failure or delay of performance if caused by: an act of war, hostility, or sabotage; act of God; pandemic; electrical, internet, or telecommunication outage that is not caused by the obligated party; government restrictions (including the denial or cancelation of any export, import or other license); or other event outside the reasonable control of the obligated party. Both Parties will use reasonable efforts to mitigate the effect of a force majeure event. If such event continues for more than 30 days, either Party may cancel unperformed Services and affected orders upon written notice. This Section does not excuse either Party's obligation to take reasonable steps to follow its normal disaster recovery procedures or Customer's obligation to pay for the Services.

20. GOVERNING LAW AND JURISDICTION

This Agreement is governed by the substantive and procedural Laws of the State ofTexas , without reference to conflict of law principles thereunder which would require the application of the laws of another jurisdiction.

21. NOTICE

21.1. Any notice required under this Agreement shall be provided to the other Party in writing. If Customer has a dispute with ZKTeco or if Customer wishes to provide a notice under the Indemnification Section of this Agreement, or if Customer becomes subject to insolvency or other similar legal proceedings, Customer will promptly send written notice to: ZK Technology LLC., 200 Centennial Drive, Suite 211, Piscataway, New Jersey 08854 Attention: General Counsel, Legal Department.

21.2. To request the termination of Services in accordance with this Agreement, Customer must submit a service request to ZKTeco at the address specified in Customer's Order or the Service Specifications.

21.3. ZKTeco may give notices applicable to ZKTeco's Hosted Services Customer base by means of a general notice on the ZKTeco portal for the Hosted Services, and notices specific to Customer by electronic mail to Customer's e-mail address on record in ZKTeco's account information or by written communication sent by first class mail or pre-paid post to Customer's address on record in ZKTeco's account information.

22. ASSIGNMENT

Customer may not assign this Agreement or give or transfer the Services (including the ZKTeco Programs) or an interest in them to another individual or entity. If Customer grants a security interest in any portion of the Services, the secured party has no right to use or transfer the Services or any deliverables.

23. OTHER

23.1. ZKTeco is an independent contractor and we agree that no partnership, joint venture, or agency relationship exists between us. Each Party will be responsible for paying its own employees, including employment related taxes and insurance. Customer shall defend and indemnify ZKTeco against liability arising under any applicable Laws, ordinances or regulations related to Customer's termination or modification of the employment of any of Customer's employees in connection with any Services under this Agreement. Customer understand that ZKTeco's business partners, including any third party firms retained by Customer to provide consulting services or applications that interact with the Hosted Services, are independent of ZKTeco and are not ZKTeco's agents. ZKTeco is not liable for nor bound by any acts of any such business partner, unless the business partner is providing Services as an ZKTeco subcontractor on an engagement ordered under this Agreement and, if so, then only to the same extent as ZKTeco would be responsible for ZKTeco resources under this Agreement.

23.2. All ZKTeco Hardware is compliant with section 889 of the John S. McCain National Defense Authorization Act (NDAA) of 2019 that took effect on August 13, 2020, and does not contain "telecommunications equipment or services" banned by the NDAA, nor does Hardware employ any component or technology of any system--substantial, essential, critical or otherwise--from banned Chinese companies. ZKTeco warrants and represents the Products provided pursuant to an Order Form are in conformance with all laws and regulations and agrees that nonconformance is a material breach of contract.

23.3. If any term of this Agreement is found to be invalid or unenforceable, the remaining provisions will remain effective and such term shall be replaced with another term consistent with the purpose and intent of this Agreement.

23.4. Except for actions for nonpayment or breach of ZKTeco's proprietary rights, no action, regardless of form arising out of or relating to this Agreement may be brought by either party more than two years after the cause of action has accrued.

23.5. ZKTeco Programs and Services are not designed for or specifically intended for use in nuclear facilities or other hazardous or failsafe applications. Customer agrees that it is Customer's responsibility to ensure safe use of ZKTeco Programs and Services in such applications.

23.6. Customer shall obtain at Customer's sole expense any rights and consents from third parties necessary for Customer's Content, and Customer's Applications, as well as other vendor's products provided by Customer that Customer uses with the Services, including such rights and consents as necessary for ZKTeco to perform the Services under this Agreement.

23.7. Customer agrees to provide ZKTeco with information, access and full good faith cooperation reasonably necessary to enable ZKTeco to provide the Services and Customer will perform the actions identified in Customer's Order as Customer's responsibilities.

23.8. Customer remains solely responsible for Customer's regulatory compliance in connection with Customer's use of the Services. Customer is responsible for making ZKTeco aware of any technical requirements that result from Customer's regulatory obligations prior to entering into an Order governed by this Agreement. ZKTeco will cooperate with Customer's efforts to determine whether use of the standard ZKTeco Services offering is consistent with those requirements. Additional fees may apply to any additional work performed by ZKTeco or changes to the Services.

23.9. ZKTeco may audit Customer's use of the Services (e.g., through use of software tools) to assess whether Customer's use of the Services is in accordance with Customer's Order and will be limited to such Services. For clarity, this audit may include reviewing usage of the time clocks and software, confirming that the number of time clocks matches that number ordered, reviewing impacts following a security breach and other situations where problems arise related to Customer usage and control of the Services at the Customer's site. Customer agrees to cooperate with ZKTeco's audit and provide reasonable assistance and access to information. Any such audit shall not unreasonably interfere with Customer's normal business operations. Customer agrees to pay within 30 days of written notification any fees applicable to Customer's use of the Services in excess of Customer's rights. If Customer does not pay, ZKTeco can end Services. Customer agrees that ZKTeco shall not be responsible for any of Customer's costs incurred in cooperating with the audit.

23.10. The purchase of Hosted Services, Professional Services, or other service offerings, programs or products are all separate offers and separate from any other order. Customer understands that Customer may purchase Hosted Services, Professional Services, or other service offerings, programs or products independently of any other Order. Customer's obligation to pay under any Order is not contingent on performance of any other service offerings or delivery of programs or products.

23.11. Customer agrees that this Agreement and the information which is incorporated into this Agreement by written reference (including reference to information contained in a URL or referenced policy), together with the schedules, addendums, and the applicable Order

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Form or Order Forms, is the complete agreement for the Services ordered by Customer and supersedes all prior or contemporaneous agreements or representations, written or oral, regarding such Services.

23.12. It is expressly agreed that the terms of this Agreement and any ZKTeco Order Form shall supersede the terms in any purchase order, procurement internet portal, or other similar non-ZKTeco document and no terms included in any such purchase order, portal, or other non-ZKTeco document shall apply to the Services ordered. In the event of any inconsistencies between the terms of an Order Form and the Agreement, the Order Form shall take precedence.

23.13. This Agreement and Orders hereunder may not be modified and the rights and restrictions may not be altered or waived except in a writing signed or accepted online through the ZKTeco store by authorized representatives of Customer and of ZKTeco. No third party beneficiary relationships are created by this Agreement.

IN WITNESS WHEREOF, this Agreement is duly executed by an authorized representative of both parties as of the Effective Date.

By:_____

Title:

ZKTechnology, LLC

By:_____

Title:

Company Name

Customer Mailing Address:

_____

_____

_____

Attn:_____

Schedule 1

Extended Hardware Warranty for CirrusDCS Hosted Customers

1. HARDWARE WARRANTY

   1.1. ZKTeco provides a limited warranty to purchasers of ZKTeco hardware products who subscribe to the Hosted Services.

   1.2. ZKTeco warrants that the product hardware will be free from defects in materials and workmanship that result in a material deviation from the applicable published ZKTeco technical specifications ("Hardware System Failure") for the lifetime of the hardware product.

   1.3. Hardware System Failure will be determined solely by ZKTeco and not by any representative, distributor, or dealer of or for ZKTeco. Upon the occurrence of a Hardware System Failure, it will be the responsibility of ZKTeco will repair or replace such product hardware within five (5) business days of its receipt of the failed hardware (except for international customers or those in non-contiguous US states, as established in the Regional Variations section 5).

   1.4. Any claim against ZKTeco for defects in materials or workmanship of its hardware must, in advance of its receipt by ZKTeco, (1) be evaluated by ZKTeco Technical Support in person or via telephone, and (2) received a Technical Support Return Merchandise Authorization (RMA) number from ZKTeco.

2. WARRANTY TERM

   In addition to the implied warranty, as stated above in section 1.2 of this Schedule 1, ZKTeco will also provide the Customer with a limited hardware warranty for the lifetime of the hardware as described herein, if Customer is current with yearly dues.

3. WARRANTY LIMITATIONS

   ZKTeco warranties as set forth herein ("Warranties") are expressly conditioned upon Customer's proper use of the ZKTeco hardware and software ("Products") and shall not apply if the Products have been modified by Customer without ZKTeco written approval, if the Products' serial number label has been removed by Customer, or if the Product has been damaged or impaired in any way by Customer, normal wear and tear excluded.

   EXCEPT FOR ANY WARRANTIES EXPRESSLY PROVIDED FOR IN THE AGREEMENT, THIS WARRANTY IS PROVIDED IN LIEU OF ALL OTHER RIGHTS, CONDITIONS AND WARRANTIES WITH RESPECT TO THE HARDWARE. THE SOLE REMEDY FOR ANY BREACH OF ANY WARRANTY PROVIDED IN THIS SCHEDULE 1 SHALL BE REPAIR, REPLACEMENT OR REFUND OF THE COST OF ANY NON-CONFIRMING PRODUCT(S).

4. RETURNS OR REPLACEMENT

Replacement of hardware under this ZKTeco standard warranty requires an evaluation of the failed system by a ZKTeco Technical Support specialist, and the issuance of a technical support RMA number. The Customer must ship the subject unit, pre-paid, to ZKTeco. The RMA number must be clearly indicated on the box and shipping documents. Failure to do so will result in delays. For all customers in 48 contiguous US states, a repaired or replacement unit will be shipped via ground carrier at ZKTeco's expense within 5 business days after receipt of the failed unit. Customer must pay return shipping if the repaired or replaced unit under warranty is shipped outside the 48 contiguous US states (including Hawaii and Alaska). ZKTeco reserves the right to substitute, discontinue, alter or modify any product or part thereof, at any time without prior notice. If any Customer hardware is determined not to be repairable by ZKTeco and must be replaced, such hardware shall be replaced with a functionally equivalent alternative product, as determined by ZKTeco.

5. REGIONAL VARIATIONS

Due to country-specific import and export regulations, customs and shipping authorization may take longer to obtain for some countries than for others. Warranty returns for customers outside of North America will be shipped within 5 business days after receipt of the failed unit. In Asia, distributors have the option of having a replacement unit shipped to them or receive a credit to their ZKTeco account in lieu of a replacement unit. This option applies only in countries where there is no local ZKTeco RMA center. If ZKTeco establishes a ZKTeco RMA center in any such country, the foregoing return for full credit option shall no longer be available, and distributors shall instead utilize ZKTeco standard RMA process.

6. MISCELLANEOUS DISCLAIMERS

ZKTeco reserves the right, in its sole discretion, to change, revise, limit, expand or otherwise alter these Warranties and any element thereof at any time with no notice required. ZKTeco shall only be obligated to support the then-current version of the Products and the immediately prior version.

7. EXCLUSIONS

7.1. The Services provided by ZKTeco hereunder will not include warranty, support and/or maintenance of any third party software or hardware, whether or not such third party software or hardware is provided by ZKTeco.

7.2. ZKTeco is not required to provide any services for problems arising out of: (i) Customer's failure to implement all maintenance or features issued under this Agreement, the MSA, or Order Form; (ii) any alterations of or additions to the Products performed by parties other than ZKTeco; (iii) accidental damage, negligent use, or misuse of the Products (such as, without limitation, operation outside of environmental specifications or in a manner for which the Products were not designed); (iv) damage caused during installation but only to the extent such damage is not caused by ZKTeco; (v) damage caused by the equipment or system with which the biometric reader is used; (vi) damage caused by repairs not made or authorized by ZKTeco; (vii) damage caused by lack of electro-static discharge or ESD protections; (viii) damage caused by improper power input and output; or (ix) damage resulting from the interconnection of the Products with other products not supplied by ZKTeco.

Schedule 2

Hosted Services - Coverage

A. Following list of services are included as part of monthly hosting fees:

1. Licensed use of CirrusDCS Software on the Hosted Service provider infrastructure
2. Management of the CirrusDCS application in the Hosted Service provider infrastructure (as a multi-tenant)
3. Security compliance – infrastructure and CirrusDCS
4. All bug fixes for the CirrusDCS application
5. All bug fixes for the time clocks purchased for use as part of the CirrusDCS solution
6. Ongoing software updates/new releases for the CirrusDCS (General Version)
7. Time clock firmware or application updates/new releases (General Version)
8. Technical Support for CirrusDCS related issues
9. Lifetime Warranty/replacement on hardware
10. Trade-in discount on new equipment when released

B. Following services will be considered Professional Services and support which will be billed separately with prior approval from Customer.

1. To perform administrative tasks on CirrusDCS and Time Clock on behalf of Customer.
2. Professional Service for new clock setup (Customer specific)
3. Dedicated Infrastructure for CirrusDCS application
4. Customer particular implementation, configuration, customization, training for the new version of the software for CirrusDCS and time clocks
5. Customization of CirrusDCS features (Customer specific)

Schedule 3

Invoicing and Payment Schedule

ZKTeco will submit invoices on a monthly basis, in accordance with the standards outlined in this document. All Services for which Customer will be charged and invoiced will be listed on the Customer's Order Form or Order Forms. Specific invoice due dates, amount(s) due, payment requirements and other details specific to fees for Services provided by ZKTeco to Customer will be included in the Customer's Order Form or invoice document. No other invoicing requirements will be established between ZKTeco and Customer, unless they are statutorily required for the issuing country, or included in the Order Form. Capitalized terms used but not defined in this Schedule shall have the meanings given to them in the Master Services Agreement.

1. All Hardware/Time Clocks: Customer will be invoiced immediately for all time clock hardware and for any charges related to customer-specific clock configurations or customization, as established in an Order Form, when the Order is fulfilled by ZKTeco and picked-up by the shipping carrier.

2. Initial Hosting Fees: The invoice for the initial Hosted Services Fees will include charges for Hosted Services for all of the Hardware included in the initial proposal, as listed on the initial Order Form, and will be generated when the pilot tenant account is provisioned (i.e. after approval of the design document).

3. Add-on Hosting Fees: If Customer purchases a new time clock terminal in the middle of the contract year, the hosting fees will be pro-rated for the balance of the contract year. The invoice for the Hosted Services charges will be generated at the time of shipment of any additional terminal. Customer may not reduce the number of clocks during the Term. Any reduction in the number of time clocks must be made at the end of the Term by notifying ZKTeco.

4. Renewal of Hosting Services Fees: All Hosted Services fees will be invoiced 30 days before the yearly renewal date, as established in the Master Services Agreement.

   The fees for Hosted Services provided by ZKTeco are subject to adjustment by ZKTeco at the start of each Term, with at least sixty (60) day notice, based upon changes in infrastructure and compliance requirements or costs, changes in Laws, or changes in other costs incurred by ZTeco in providing such services under this Agreement.

5. Professional / Support Service: Invoices for Professional Services are created at the end of each milestone or at the end of each month, whichever is earlier. ZKTeco will bill partially for the time used for the specific milestone (if not completed) at the end of each month.

6. Customization Services: As defined in the initial Customer Order Form and any additional Order Forms for customized services.

7. Expenses: All invoices for travel and out-of-pocket expenses are created at the end of each month.

Schedule 4

Service Level Agreement

This Service Level Agreement, (the "SLA"), is a schedule to the Master Services Agreement between ZKTeco and Customer for Hosted Services. Product support is provided by the ZKTeco Customer Support Team. ZKTeco representative is available to support customers as established in the SLA. Support encompasses technical troubleshooting, functional expertise and instruction on the configuration and use of ZKTeco products, as well as general customer service. Capitalized terms have the meanings given to them herein or in the MSA. The term "Month" means calendar month. The terms of the SLA are as follows.

1. **Definitions**

   1.1. **"Customer"** refers to the organization that has signed the Agreement under which it has purchased ZKTeco CirrusDCS Services from ZKTeco.

   1.2. **"Downtime"** is defined as any period when Users are unable to access CirrusDCS sites for which they have appropriate permissions. The ability to access the CirrusDCS sites is determined by automated monitoring that attempts to access CirrusDCS sites every minute supplemented by server logs. Downtime does not include the period of time when the Service is not available as a result of (i) Scheduled Downtime or scheduled network, hardware, or service maintenance or upgrades; or (ii) the acts or omissions of Customer or Customer's employees, agents, contractors, or vendors, or anyone gaining access to ZKTeco's network by means of Customer's passwords or equipment; or (iii) Customer requested changes.

   1.3. **"Downtime Service Credits"** is the percentage of the monthly service fees for the Service that is credited to Customer for a Service Level not met under this SLA.

Monthly Uptime Percentage	Service Credit
< 99%	20%
< 96%	40%
< 94%	60%
< 92%	80%
< 90%	100%

   1.4. **"Monthly Uptime Percentage"** for a specific customer is calculated as follows:
   $$100 - (x/y \times 100)$$
   Where x = number of downtime hours; y = number of hours in the calendar month.

   For example, if x = 2 hours in the month of April (y = 760 hours), the calculation outcome is ~99.74%.

1.5. **"Service Level"** means standards ZKTeco adheres to and by which it measures the level of service it provides as expressly set forth below.

1.6. **"Scheduled Downtime"** is defined as (i) Downtime within pre-established maintenance windows; customer-specific updates or customization; general upgrades to firmware or (ii) Downtime during major version upgrade; Scheduled Downtime is not considered Downtime for purposes of this SLA.

2. Exclusions

This SLA and any applicable Service Levels do not apply to any performance or availability issues:

(a) Due to factors outside ZKTeco's reasonable control;
(b) That resulted from Customer's or third-party hardware or software;
(c) That resulted from actions or inactions of Customer or third parties;
(d) Issues caused by Customer's use of the Service after ZKTeco advised Customer to modify its use of the Service. If Customer did not change its use as advised, ZKTeco is not responsible
(e) During scheduled downtime; or
(f) During beta and trial services (as determined by ZKTeco).

3. Downtime Service Credit

(a) The amount and method of calculation of Downtime Service Credits are described below in connection with each Service Level description.
(b) Downtime Service Credits are Customer's sole and exclusive financial remedy for any violation of this SLA.
(c) The Downtime Service Credits awarded in any calendar month shall not, under any circumstance, exceed credits equal to one Month, and
(d) The value of the Downtime Service Credits awarded (calculated by totaling the monetary value of the monthly service fees credited to Customer) may not exceed 20% of Customer's Hosted Service fees paid during the twelve (12) consecutive Months between anniversaries of the Effective Date.
(e) For Services purchased as part of a suite, the Downtime Service Credits will be based on the pro-rata portion of the estimated retail price of the Service, as determined by ZKTeco in its reasonable discretion.
(f) Downtime Service Credits do not apply to one-time fees associated with this service.
(g) ZKTeco provides this SLA subject to the following terms.

4. These terms will be fixed for the duration of the initial Term of the subscription. When customer subscription is renewed, the version of the SLA that is current at the time the renewal term commences will apply throughout the renewal Term.

5. **Service Level and Response Time.** Customer support requests are classified into multiple service levels, which differ in response time depending upon the effect the failure has on overall system performance, data throughput, or time clock usability.

6. **Service Levels.** The ZKTeco support team provides the following service levels:

Priority P0: (Critical)

Overview: A critical severity issue causing a Customer's employee data collection operation to stop. The clocks become unusable or are otherwise inaccessible in the Customer's environment.

Qualifying conditions:
- Time clocks: all clocks are down, and employees are not able to punch
- Time clocks: all employee punches are incorrect or missing
- ZK DCS: the service is down due to the failure of the hosting system, web server, database server or the application.

Service Level:
- ZK technical support or engineering responds to the call within a one-hour time frame and goes online to work with the customer on root-cause analysis.
- The customer receives a direct communication every 4 hours with a status update. Please note that ZKTeco will provide updates in 4-hour intervals around the clock via ZKTeco's US-based and offshore support centers.

Priority P1: (High)

Overview: A high severity issue has a significant impact on the Customer's employee data collection process. The Customer's system functions but at a significantly reduced capacity.

Qualifying conditions:
- Time clock: the clock is operational, but employee punch data cannot be sent to the CIRRUS DCS service
- Time clock: the clock is functional and accepts employee punches but disconnects from the network.
- Time clock: the admin user cannot access admin menu due to a permission setup or password issue.
- CIRRUS DCS: The Service fails to load new employee data from the HCM/Workforce Management Hosted Software
  - CIRRUS DCS: The Service fails to submit time clock data to the HCM/Workforce Management Hosted Software
  - CIRRUS DCS: intended employee data is not available on the clock

Service Level:
- ZK responds to the call within a 4-hour time frame during business hours and goes online to work with the Customer on root-cause analysis.
- The Customer receives a direct communication twice a day with a status update.

Priority P2: (Medium)

Overview: A medium severity issue results in some functionality loss on the Customer's employee data collection system. The system remains usable but does not provide an expected functionality most conveniently or expeditiously.

Qualifying conditions:
- Non-critical issues reported by the Customer or time clock users that might not affect the employee punch process, but do affect time clock usability from an end user perspective.

Service Level:
- ZKTeco responds to the call within an 8-hour time frame and provides online or email response regarding progress on the root-cause analysis.
- The Customer receives a direct communication once a day with a status update.

Priority P3: (Low)

Overview:
- Low severity issues include general usage questions, issues related to using of the time clocks or feature requests. There is no impact on the quality, performance or functionality on the Customer's employee data collection system.

Qualifying conditions:
- Time clock functionality changes, CIRRUS DCS feature improvements, or future systems-level change requests from the Customer.
- Can be used to support such as demo sites or evaluative clock testing

Service Level:
- ZKTeco responds to the call within two days and provides an email response to the Customer.
- The Customer receives an update once a week with a status update.

Customer must request all support through a dedicated CirrusDCS support portal at the following link. Customer must ask account access for the support portal in advance from the CirrusDCS support team. Support Portal URL: http://support.zktechnology.com/servicedesk/customer/portals

7. **Effective Period**

   7.1. This Agreement is deemed valid from the Effective Date throughout the subscription period of CIRRUS DCS subscribed by the Customer with the subscription fees confirmed paid to ZKTeco.

8. **Changes to SLA**

   8.1. ZKTeco reserves the right to revised this SLA from time to time to improve ZKTeco's support quality. Any such change or revision to this SLA shall not result in a reduction in service quality. The updated SLA will be published by ZKTeco, and the customers will be notified by email.

Schedule 5
CirrusDCS Services Privacy Policy
Last Modified: January 2024

This Privacy Policy (the "Policy") covers the privacy practices ZKTeco employs when ZKTeco customers ("Customers") use our cloud-based enterprise applications, including biometric data privacy practices, when applicable (the "Services"). This Privacy Policy does not cover any information or data collected by ZKTeco for other purposes, such as information collected on the ZKTeco website or for marketing purposes. Capitalized terms used but not defined in this Policy shall have the meaning given to them in the Master Services Agreement (the "Agreement").

1. **Collection and Use of Personal Data**

    1.1. **Personal Data ZKTeco Processes**. In the normal course of using the Services, Customer employees will input electronic data ("Customer Data") and biometric data ("Biometric Data") into the ZKTeco systems ("Customer Personal Data"). The use of information collected through the Services shall be limited to the data necessary to provide Services for which the Customer has engaged ZKTeco, as described in the Agreement. ZKTeco may access Customer Data for the purposes of providing the Services, preventing or addressing service or technical problems, responding to support issues, and responding to Customer's instructions, or as may be required by law, in accordance with the relevant Agreement between Customer and ZKTeco.

    1.2. **Data Processing**. ZKTeco processes Customer Personal Data under the direction of Customer, and has no direct control or ownership of the Customer Personal Data it processes. Customers are responsible for complying with any regulations or laws that require providing notice, disclosure, and/or obtaining consent prior to transferring the data to ZKTeco for processing purposes. Customer Personal Data processed from outside the United States ("US") is handled as described in section 2 of this Policy and the ZKTeco Data Processing Agreement.

    1.3. **Editing or Deleting Personal Data**. Any person who seeks access, or who seeks to correct, amend, or delete inaccurate data, should direct their query to the ZKTeco Customer (the data controller). If the Customer instructs ZKTeco to remove the personal data to comply with data protection regulations, ZKTeco will respond to their request within 30 days.

    1.4. **Disclosure to Law Enforcement**. ZKTeco will refer any request for disclosure of personal data by a law enforcement authority to the Customer. ZKTeco may, where it concludes that it is legally obligated to do so, disclose personal data to law enforcement or other government authorities. ZKTeco will notify Customer of such request unless prohibited by law.

    1.5. **Accessing the Services**. Customers and their authorized users may access the Services directly through a URL unique to their individual tenant, or may elect to use internal launch pages for single sign-on or other purposes. Customers input information for processing and storage as they use the Services. Customers may also configure the Services to allow end users to input information directly into the Services.

2. **Global Data Privacy.** Providing Services to Customers with employees outside of the US may require the transfer of Customer Personal Data to the US (e.g., when Customer hosts its HCM/Workforce Management Hosted Software tenant in the United States).

3. **US-EU Data Privacy Framework**. ZKTeco may transfer Customer Personal Data internationally, at the direction of Customer, to provide Services as established in the Agreement. ZKTeco has taken appropriate safeguards to require that Customer Personal Data will remain protected. For transfers of PI originating in the EU to the US for processing, ZKTeco will comply with the U.S.-EU and U.S.-Swiss Privacy Framework. See the Data Privacy Framework Policy for more details on the Data Privacy.

4. **Biometric Information.** The biometric data covered by this policy includes "Biometric Identifiers" as defined by the Illinois Biometric Information Privacy Act ("BIPA") (i.e., a retina or iris scan, fingerprint, voiceprint, or scan of hand or face geometry) and "Biometric Information" as defined by BIPA (i.e., any information, regardless of how it is captured, converted, stored, or shared, based on an individual's Biometric Identifier used to identify an individual), together "Biometric Data". At the direction and on behalf of its Customers, ZKTeco may collect, store and/or use Biometric Data. Customers may utilize ZKTeco's products and services to collect, store and/or use Biometric Data solely for employment-related purposes, including tracking of time and attendance, in accordance with this policy and applicable law.

   4.1. Customer's Responsibilities. It is the sole responsibility of the Customer that collects, captures, stores, or otherwise uses Biometric Data relating to an individual, to:

   4.1.1. Inform the individual from whom Biometric Data will be collected, in writing and prior to collecting the individual's Biometric Data, that Biometric Data is being collected, stored, and/or used.

   4.1.2. Indicate, in writing, the specific purpose(s) and length of time for which Biometric Data is being collected, stored, and/or used.

   4.1.3. Receive a written release from the individual (or a legally authorized representative) authorizing the Customer and ZKTeco to collect, store, and/or use the Biometric Data and authorizing the Customer to disclose such Biometric Data to ZKTeco and any Customer third-party service providers.

   4.1.4. Develop, maintain, and to inform all individuals about any Customer policies for Biometric Data collection. Customer must maintain its own data collection, disclosure, retention, and storage policies in compliance with all applicable laws. Where required by law, Customer agrees to adopt a privacy policy in alignment all applicable laws governing the collection, use, transfer and retention of Personal Data.

   4.1.5. Ensure that ZKTeco is immediately notified upon termination or other discontinuation of use of ZKTeco's biometric products or services with respect to an employee or other individual.

   4.2. Disclosure and Sharing of Biometric Information

   4.2.1. ZKTeco will not sell, lease, trade or otherwise profit from any biometric data that it receives from Customer's employees. Biometric data will not be used for any purpose other than as described herein.

   4.2.2. ZKTeco will not disclose, redisclose or otherwise disseminate any biometric data received from Customers to any person or entity other than ZKTeco and ZKTeco's third party service providers except for if disclosure or redisclosure is required by state or federal law or municipal ordinance or disclosure is required pursuant to a valid warrant or subpoena issued by a court of competent jurisdiction.

4.3. Illinois Biometric Information Privacy Act. In accordance with the Illinois Biometric Information Privacy Act (740 Ill. Comp. Stat. Ann. 14/1 et seq.) (the "Illinois BIPA"), ZKTeco maintains comprehensive policies and procedures to ensure the proper collection, use, safeguarding, storage, retention, and destruction of Biometric Data by ZKTeco. As required by the Illinois BIPA, ZKTeco makes available to the public its Biometric Data Retention and Storage policies in the following sections.

4.4. Retention of Biometric Information. ZKTeco will retain biometric data until the initial purpose for collecting or obtaining such biometric data has been satisfied, or within three (3) years of an individual's last interaction with the Client and/or ZKTeco, as applicable, whichever occurs first, at which time ZKTeco will permanently delete such biometric data and shall demand that its vendors do the same. When instructed by its customers to destroy biometric data, ZKTeco will promptly comply with the request. ZKTeco will destroy all biometric data from former or inactive customers who fail to destroy such data.

4.5. Storage of Biometric Information. ZKTeco will use a reasonable standard of care, consistent with the industry in which ZKTeco operates, to store, transmit and protect from disclosure all biometric data, and shall store, transmit, and protect from disclosure all biometric data in a manner that is the same as or more protective than the manner in which ZKTeco stores, transmits, and protects other confidential or sensitive data that can be used to uniquely identify an individual or an individual's account or property.

5. Additional ZKTeco Privacy Information

5.1. Data Retention. ZKTeco retains Customer Personal Data for as long as necessary to fulfill the purposes for which it is processed. ZKTeco standard retention period for Customer Personal Data is ninety seven (97) days unless Customer opts to retain Customer Personal Data for a longer period of time for business purposes. ZKTeco's retention practices comply with applicable data protection laws. When the retention period has expired, Customer Personal Data will be securely deleted or destroyed.

5.2. Security. The security of Customer Personal Data, including personal data, is very important to ZKTeco. ZKTeco maintains a comprehensive, written information security program that contains industry-standard, administrative, technical, and physical safeguards designed to prevent unauthorized access to Customer Personal Data. ZKTeco designs its applications to allow Customers to achieve differentiated configurations, enforce user access controls, and manage data categories that may be populated and/or made accessible on a geographical basis. Configuring these settings appropriately is the Customer's responsibility. Customer may hire ZKTeco to implement the application and/or to make adjustments through ongoing support, but Customer is responsible for establishing user access controls and policies. Additional information about the security settings and configurations can be found in the ZKTeco Documentation made available to Customers.

5.3. Changes to this Privacy Policy. We reserve the right to change or update this Privacy Policy at any time. Changes to the Privacy Policy will be posted on this website and links to the Privacy Policy will indicate that the policy has been changed or updated. We encourage you to periodically review this Privacy Policy for any changes. For new Customers, changes or updates are effective upon posting. For existing Customers, changes or updates are effective 30 days after posting.

5.4. Compliance. ZKTeco has appointed a chief security officer responsible for overseeing the implementation of the privacy program within the organization. If you have further questions related to this policy, please ask your Customer Support contact to log a customer care case with the privacy question.

6. Contact Information

6.1. If you have any questions regarding our Privacy Statement, or if at any time after providing your personal information to ZKTeco you want to update, change, unsubscribe, or request removal or deletion of your information, or if you would like to assert any of the rights listed above, please direct your request via the postal mail address listed below. ZKTeco will respond to your request within a reasonable timeframe.

6.2. **ZKTeco Contact Address**:

ZKTeco
Attn: Chief Security Officer
200 Centennial Avenue, Suite 211
Piscataway, NJ 08854

Schedule 6
ZKTeco Data Privacy Framework Policy
Last Modified: January 2024

This Data Privacy Framework Policy ("Policy") (*formerly Privacy Shield*) describes how ZKTeco ("ZKTeco," "we," "us" or "our") collects, uses, and discloses certain personally identifiable information that we receive in the United States from the European Union ("EU Personal Data"), the United Kingdom ("UK Personal Data"), and Switzerland ("Swiss Personal Data" and combined with EU Personal Data and UK Personal Data, the "Personal Data"). This Policy applies to all of our United States legal entities, subsidiaries and/or affiliates that exist now or in the future. This Policy supplements our Website Privacy Policy and Terms of Use located at [INSERT LINK].

1. **Commitment to Compliance**.

    a. ZKTeco complies with the EU-U.S. Data Privacy Framework ("EU-U.S. DPF"), the UK Extension to the EU-U.S. DPF, and the Swiss-U.S. Data Privacy Framework ("Swiss-U.S. DPF") as set forth by the U.S. Department of Commerce. ZKTeco has certified to the U.S. Department of Commerce that it adheres to the EU-U.S. Data Privacy Framework Principles (the "EU-U.S. DPF Principles") with regard to the processing of personal data received from the European Union in reliance on the EU-U.S. DPF and from the United Kingdom (and Gibraltar) in reliance on the UK Extension to the EU-U.S. DPF. ZKTeco has certified to the U.S. Department of Commerce that it adheres to the Swiss-U.S. Data Privacy Framework Principles (the "Swiss-U.S. DPF Principles") with regard to the processing of personal data received from Switzerland in reliance on the Swiss-U.S. DPF.

    b. ZKTeco commits to cooperate and comply respectively with the advice of the UK Information Commissioner's Office (ICO) with regard to unresolved complaints concerning our handling of human resources data received in reliance on the EU-U.S. DPF and the UK Extension to the EU-U.S. DPF in the context of the employment relationship.

    c. If there is any conflict between the terms in this Policy and the EU-U.S. DPF Principles and/or the Swiss-U.S. DPF Principles (collectively, the "Principals"), the Principles shall govern. To learn more about the Data Privacy Framework (DPF) program (the "DPF Program"), please visit https://www.dataprivacyframework.gov/.

    d. ZKTeco recognizes that the EU, UK, and Switzerland have established strict protections regarding the handling of Personal Data, including requirements to provide adequate protection for Personal Data transferred outside of their respective jurisdictions. To provide adequate protection for all Personal Data regarding consumers, clients, suppliers, business partners, job applicants and employees received in the US, ZKTeco has elected to self-certify to the EU-U.S. DPF, the UK Extension to the EU-U.S. DPF, and the Swiss-U.S. DPF administered by the US Department of Commerce. ZKTeco adheres to the EU-US Data Privacy Framework Principles of Notice, Choice, Accountability for Onward Transfer, Security, Data Integrity and Purpose Limitation, Access, and Recourse, Enforcement, and Liability.

    e. The Federal Trade Commission has jurisdiction over ZKTeco's compliance with the EU-U.S. DPF, the UK Extension to the EU-U.S. DPF, and the Swiss-U.S. DPF.

f. To review ZKTeco's representation on the Data Privacy Framework List, see the U.S. Department of Commerce's Data Privacy Framework List located at https://www.dataprivacyframework.gov/s/participant-search.

2. **Personal Data Collection and Use.** We may receive the following categories of Personal Data in the U.S.: (i) employment and HR information; (ii) commercial information; (iii) demographic information; and (iv) consumer-specific information (including biometric information).

   a. Within these categories, we may collect information such as an individual's name, location, name of employer, professional role, job qualifications (such as educational degrees earned), phone number, email address, user ID, biometric template, and badge ID.

   b. We process Personal Data for the following purposes: (i) to provide our services, including with respect to billing, identification, and authentication; (ii) to contact and communicate with our clients regarding our services, and (iii) for employment-related purposes including to process employment-related data in the U.S. and evaluate job candidates. Data subjects whose personally identifiable information we process include clients (and their respective employees or other users) and other legal persons, suppliers, business partners, job applicants, independent contractors, and employees.

   c. We will only process Personal Data in ways that are compatible with the purpose of collection, or for purposes, the individual later authorizes. Before we use your Personal Data for a purpose that is materially different than the purpose we collected it for, or that you later authorized, we will provide you with the opportunity to opt out. We maintain reasonable procedures to help ensure that Personal Data is reliable for its intended use, accurate, complete, and current.

   d. We may collect the following categories of sensitive Personal Data including but not limited to:, criminal history, and biometric template information as may be required by our customers, for identification of their employees, within the employment context. When we collect sensitive Personal Data, we will obtain your opt-in consent where the EU-U.S. DPF requires, including if we disclose your sensitive Personal Data to third parties, or before we use your sensitive Personal Data for a different purpose than we collected it for or than you later authorized. Certain exceptions to our obligation to obtain affirmative opt-in consent to process sensitive personal data are where the processing is: (i) in the vital interests of the individual or another person; (ii) necessary for the establishment of legal claims or defenses; (iii) required to provide medical care or diagnosis; (iv) carried out in the course of legitimate activities by certain foundations, associations, or other non-profit bodies; (v) necessary to carry out employment law-related obligations; (vi) related to data made public by the individual.

   e. ZKTECO commits to cooperate with the EU/EEA data protection authorities, the UK Information Commissioner's Office and the Gibraltar Regulatory Authority, and the Swiss Data Protection and Information Commissioner and comply with the requirements of such authorities with regard to Personal Data transferred from the EU, the UK, and Switzerland.

3. **Data Transfers to Third Parties.** We may transfer Personal Data to our third-party agents or service providers who perform functions on our behalf. ZKTECO will select third party agents or service providers who comply with the DPF Program, and are limiting their use of the data to the specified services provided on our behalf, in order to provide the same level of protection that the DPF Program requires, We take

reasonable and appropriate steps to ensure that third-party agents and service providers process Personal Data in accordance with our DPF Program obligations and to stop and remediate any unauthorized processing. Under certain circumstances, we may remain liable for the acts of our third-party agents or service providers who perform services on our behalf for their handling of Personal Data that we transfer to them.

4. **Disclosures for National Security or Law Enforcement.** Under certain circumstances, we may be required to disclose your Personal Data in response to valid requests by public authorities, including to meet national security or law enforcement requirements, or as otherwise required by law. ZKTECO is not liable for the use or re-disclosure of Personal Data by such recipients.

5. **Security**. We maintain reasonable and appropriate security measures to protect Personal Data from loss, misuse, unauthorized access, disclosure, alteration, or destruction in accordance with the DPF Program.

6. **Access Rights**. You may have the right to access the Personal Data that we hold about you and to request that we correct, amend, or delete it if it is inaccurate or processed in violation of the DPF Program. These access rights may not apply in some cases, including where providing access is unreasonably burdensome or expensive under the circumstances, or where it would violate the rights of someone other than the individual requesting access or where the data is controlled by your employer who acts as the Data Controller. If you would like to request access to, correction, amendment, or deletion of your Personal Data, you can contact ZKTeco at: privacy@ZKTechnology.com.

7. **Questions or Complaints.**

   a. In compliance with the EU-U.S. DPF, the UK Extension to the EU-U.S. DPF, and the Swiss-U.S. DPF, ZKTeco commits to resolve complaints about our collection or use of your personal information. EU, UK, and Swiss individuals with inquiries or complaints regarding our Policy should first contact ZKTECO at: privacy@ZKTechnology.com.

   b. In compliance with the EU-U.S. DPF, the UK Extension to the EU-U.S. DPF, and the Swiss-U.S. DPF, ZKTECO commits to refer unresolved complaints concerning our handling of personal data received in reliance on the EU-U.S. DPF, the UK Extension to the EU-U.S. DPF, and the Swiss-U.S. DPF to JAMS, an alternative dispute resolution provider based in the United States. If you do not receive timely acknowledgment of your DPF Principles-related complaint from us, or if we have not addressed your DPF Principles-related complaint to your satisfaction, please visit https://www.jamsadr.com/DPF-Dispute-Resolution for more information or to file a complaint. The services of JAMS are provided at no cost to you.

   c. We will investigate and attempt to resolve any complaints or disputes regarding the use or disclosure of your Personal Data within 45 days of receiving your complaint.

8. **Binding Arbitration.** You may have the option to select binding arbitration for the resolution of your complaint under certain circumstances, provided you have taken the following steps: (1) raised your complaint directly with us and provided us the opportunity to resolve the issue; (2) made use of the independent dispute resolution mechanism identified above; and (3) raised the issue through the relevant data protection authority and allowed the U.S. Department of Commerce an opportunity to resolve the complaint at no cost to you. For more information on binding arbitration, see U.S. Department of Commerce's EU-U.S. DPF: Annex I of the DPF Principles.

9. **Contact Us**. If you have any questions about this Policy or would like to request access to your Personal Data, please contact us at privacy@ZKTechnology.com.

10. **Changes to This Policy**. We reserve the right to amend this Policy from time to time to be consistent with the DPF Program's requirements.

Schedule 7

Professional Services Implementation Process and Timeline Estimates

To ensure that we are providing the best-fit services for your company, we follow our Blueprint Workshop implementation process. It is during this process that we develop a design plan and establish milestones for the configuration and implementation of your company's specific timeclock features. No two implementations are the same, and we use this Blueprint Workshop phase to adjust our standard implementation plan to meet your company's needs.

We have provided you with a quote of the estimated time and cost of the professional services involved to configure and implement features listed as standard in the table below, for your reference. Please know, as we work with you to design the process for your company, the costs and timing involved with implementation may change, if additional features are required to be configured or customization is needed to fit your company's business processes.

All time spent working on the project will be tracked in our project management software, including meetings with your team about the project. This time will be billed to you. The estimated hours are based on our experience completing similar projects, however, in some cases the project will take longer than the estimate. In such cases, we will let notify you by email before we have exceeded the budgeted time for the project to ensures that you will be involved in any decision that results in a change in cost or the timeline for the implementation.

The professional services fees for the project represent scheduled services performed during normal business hours (8:00 AM to 6:00 PM local time, Monday through Friday, excluding national holidays). Services performed outside of normal business hours for the purpose of minimizing disruption or at **Client's request** will be billed at 150% of the quoted hourly rate. If no rated is quoted (e.g., for a flat-fee project) the following professional services rates will apply. Customer will receive a 20% discount on these standard rates.

Role / Title	Rate
Senior Solutions Architect	350
Solutions Architect	350
Project Manager	250
Support Engineers	250
Senior Development Lead	250
Software Development Engineer	250
QA and UAT Engineers	250

Any project timeline communicated verbally or in this agreement assumes the response time for Client action items will be one (1) business day unless otherwise noted. Response times which consistently exceed one (1) business day may delay the project considerably and cause the project to be rescheduled to the next available opening in our project calendar.

Project-related services will be billed in 15-minute increments. There is an eight (8) hour minimum for services performed on-site. Where ZKTeco consultants are required to travel to any client designated location(s), services will be billed at a minimum of eight (8) hours per work day which includes the time of travel to and from the site.

Named Punch	
Punch clock without tracking code	Standard
Punch clock with tracking code	Standard
Meal Break with lockout restriction	Standard
Tip Entry without tracking code	Standard
Tip Entry with tracking code	Standard
Department Transfer/Job Code	Standard
Multi-level Time and Labor code punch	
Punch with 2 Level global independent T&L codes	Standard
Punch with 2 Level global dependent T&L codes	8 Hours
Punch with personal position code	16 Hours
Attestation	
Single Attestation with Punch	Standard
Multiple Attestation - Customer business process	16 Hours.
Attestation customization on clock and DCS will be done as separate SOW.	
Fast Punch	
Fast Punch without restriction	8 Hours
Fast Punch with personal message	
Fast Punch with tracking codes	24 Hours
Fast Punch with Shift restriction	
Employee Self-Service	
View Punch Info	Standard
View Current Schedule	Std w/Schd. Integration*
View Schedule Online	Std w/Schd. Integration*
View Accrual Balance	Standard
Personal Mailbox	Standard
Time Off Request	Standard
Time Off Request – Status View – Requires View event api	16 Hours
Punch Review	Standard
View My Timesheet	Standard

Special configuration - Integration	
IVR	
IVR Configuration – Basic	24 Hours
IVR Configuration – Advance	32 Hours
Rounding/Scheduling*	
Rounding Rule	16 Hours
Scheduling with RAAS Service- Workday	40 Hours
Shift Wizard Scheduling Integration	24 Hours
Clock IN/OUT with schedule lockout	16 Hours
Shift Lockout – Add On to Scheduling	16 Hours
Web/PC Terminal/Mobile Time Clock	
Web Terminal Time Clock Setup – up to 3 Clock Profiles	16 Hours
Mobile Time Clock Profile Setup	16 Hours

Note:
- Standard Integration includes one 30 min project meeting per week for up to 90 days. Any additional time for frequent meetings which customers require the ZKTeco team to be part of will be billed at minimum 1 hour per meeting.
- Customer will be billed for additional time for project management/extension if the project is extended beyond the agreed time.
- Any changes after the approval of the design document may require additional efforts which will be billed separately with customer approval and will follow change request process.
- The above standard Implementation includes one Blueprint/Design Phase and support for one Go Live Instance. For additional blueprint/Design and Go Live instance, a separate SOW will be provided.

Addendum A
<u>ZKTeco Employee Time Tracking Solution</u>
<u>7 Steps Implementation Plan</u>

[Insert Sample Implementation Plan]

Order Form

ESTIMATE

Estimate# EST-54269

Bill To
Boyd Corporation

Subject :

45 Ultima 7's with Multi-Card Technology Reader

Estimate Date	Expiry Date	Reference#	Sales person	Shipping Method
08/20/2024	11/20/2024	Rental Quote for Boyd Corp	Bradley Kurtz	UPS Ground

#	Item & Description	Unit Price	Item Type	Qty	Rate	Dis.	Amount
1	**ULTIMA 7** ULTIMA-7 INCLUDES - -PoE+ -Dual WiFi -Microphone and Camera -2000Mah Battery $300 Start Up Cost	$300.00	Hardware	45.0	300.00	0.00	13,500.00
2	**MT-PRO** Multi-Technology Reader Pro	$295.00	Hardware	45.0	295.00	0.00	13,275.00
3	**CirrusDCS-Server** CirrusDCS Tenant/Server software fee ZKTeco Tenant/Server software fee for Workday is a reoccurring charge, billed annually.	$6,000.00	Subscription	1	6,000.00	0.00	6,000.00
4	**CirrusDCS-RHF** CirrusDCS Hosting Fee / Rental cost - Annual Reoccurring Charge Rental contract is a 3-year term Licensing to use CirrusDCS Software – Cloud Base Service Infrastructure management of CirrusDCS Security compliance of infrastructure and CirrusDCS applications All software updates and new releases for CirrusDCS (General Version) All Time Clock updates and new releases (General Version) Technical Support for covered issues	$780.00	Subscription	45	780.00	0.00	35,100.00

#	Item & Description	Unit Price	Item Type	Qty	Rate	Dis.	Amount
5	**CirrusDCS-IMPL** DCS Implementation Workday Implementation	$200.00	Professional Services	130	250.00	20.00%	26,000.00

Sub Total		93,875.00
Shipping charge		695.00
Total		**$94,570.00**

Notes

Shipping charges is an estimate, subject to change based on clock quantity, location, and shipping method.

Terms & Conditions

Disclaimers:

- Professional Service timeframes are estimated based on ZKTeco standard feature implementations. Any required changes are affecting the final project scope needed to be defined within a documented specification and approved during the Blueprint Workshop process.

- The final quote for all services will be based on approved specifications created during the Blueprint Workshop milestone phase. Further changes beyond that milestone will be identified, specified, and will be quoted as a separate Statement of Work.

- Any customization identified during Blueprint Workshop will be quoted separately.

- Before commencement of new milestone efforts, the previous milestone must be signed off on by the customer provided project management or authorization team.

1. ZKTeco Project Management as a professional service is a percentage of the total professional services offered to the customer. If the scope of the project changes, or project management resources are required to participate in project management

meetings beyond the scope of those required by ZKTeco to manage the internal implementation process, then additional time may be billed for this service.

Schedule 8

ZKTeco Data Processing Agreement
Last Modified: January 2024

This ZKTeco Data Processing Agreement and its Annexes ("DPA") reflects the parties' agreement with respect to the Processing of Personal Data by ZKTeco on behalf of Customer in connection with the ZKTeco CirrusDCS Master Services Agreement between ZKTeco and Customer (the "Agreement").

This DPA is supplemental to, and forms an integral part of, the Agreement and is effective upon its incorporation into the Agreement, which incorporation may be specified in the Agreement, an Order or an executed amendment to the Agreement. In case of any conflict or inconsistency with the terms of the Agreement, this DPA shall take precedence over the terms of the Agreement to the extent of such conflict or inconsistency.

The term of this DPA shall follow the term of the Agreement. Terms not otherwise defined herein shall have the meaning as set forth in the Agreement. If any updates are made to this DPA, ZKTeco will provide thirty (30) days written notice of such updated.

1. **Definitions**

    1.1. "California Personal Information" means Personal Data that is subject to the protection of the CCPA.

    1.2. "CCPA" means California Civil Code Sec. 1798.100 et seq. (also known as the California Consumer Privacy Act of 2018, as amended by the California Privacy Rights Act of 2020 or "CPRA").

    1.3. "Consumer", "Business", "Sell" and "Service Provider" shall have the meanings given to them in the CCPA.

    1.4. "Controller" means the natural or legal person, public authority, agency or other body which, alone or jointly with others, determines the purposes and means of the Processing of Personal Data.

    1.5. "Data Privacy Framework" means the EU-U.S. Data Privacy Framework, the Swiss-U.S. Data Privacy Framework and the UK Extension to the EU-U.S. Data Privacy Framework self-certification programs (as applicable) operated by the U.S. Department of Commerce; as may be amended, superseded or replaced.

    1.6. "Data Privacy Framework Principles" means the Principles and Supplemental Principles contained in the relevant Data Privacy Framework; as may be amended, superseded or replaced.

    1.7. "Data Protection Laws" means all applicable worldwide legislation relating to data protection and privacy which applies to the respective party in the role of Processing Personal Data in question under the Agreement, including without limitation European Data Protection Laws, the CCPA and other applicable U.S. federal and state privacy laws, and the data protection and privacy laws of Australia, Singapore, and Japan, in each case as amended, repealed, consolidated or replaced from time to time.

    1.8. "Data Subject" means the individual to whom Personal Data relates.

1.9.   "Europe" means the European Union, the European Economic Area and/or their member states, Switzerland and the United Kingdom.

1.10.   "European Data" means Personal Data that is subject to the protection of European Data Protection Laws.

1.11.   "European Data Protection Laws" means data protection laws applicable in Europe, including: (i) Regulation 2016/679 of the European Parliament and of the Council on the protection of natural persons with regard to the processing of personal data and on the free movement of such data (General Data Protection Regulation) ("GDPR"); (ii) Directive 2002/58/EC concerning the processing of personal data and the protection of privacy in the electronic communications sector; and (iii) applicable national implementations of (i) and (ii); or (iii) GDPR as it forms parts of the United Kingdom domestic law by virtue of Section 3 of the European Union (Withdrawal) Act 2018 ("UK GDPR"); and (iv) Swiss Federal Data Protection Act on 19 June 1992 and its Ordinance ("Swiss DPA"); in each case, as may be amended, superseded or replaced.

1.12.   "Instructions" means the written, documented instructions issued by a Controller to a Processor, and directing the same to perform a specific or general action with regard to Personal Data (including, but not limited to, depersonalizing, blocking, deletion, making available).

1.13.   "Permitted Affiliates" means any of Customer's Affiliates that (i) are permitted to use the Services pursuant to the Agreement, but have not signed their own separate agreement with ZKTeco and are not a "Customer" as defined under the Agreement, (ii) qualify as a Controller of Personal Data Processed by ZKTeco, and (iii) are subject to European Data Protection Laws.

1.14.   "Personal Data" means any information that identifies, relates to, describes, is reasonably capable of being associated with, or could reasonably be linked, directly or indirectly, with a Customer's particular employee or designated User.

1.15.   "Personal Data Breach" means a breach of security leading to the accidental or unlawful destruction, loss, alteration, unauthorized disclosure of, or access to, Personal Data transmitted, stored or otherwise Processed by ZKTeco and/or its Sub-Processors in connection with the provision of the Services. "Personal Data Breach" shall not include unsuccessful attempts or activities that do not compromise the security of Personal Data, including unsuccessful log-in attempts, pings, port scans, denial of service attacks, and other network attacks on firewalls or networked systems.

1.16.   "Processing" means any operation or set of operations which is performed on Personal Data, encompassing the collection, recording, organization, structuring, storage, adaptation or alteration, retrieval, consultation, use, disclosure by transmission, dissemination or otherwise making available, alignment or combination, restriction or erasure of Personal Data. The terms "Process", "Processes" and "Processed" will be construed accordingly.

1.17.   "Processor" means ZKTeco or other natural or legal person, public authority, agency or other body which Processes Personal Data on behalf of the Controller.

1.18.   "Standard Contractual Clauses" means the standard contractual clauses annexed to the European Commission's Decision (EU) 2021/914 of 4 June 2021 currently found at https://eur-lex.europa.eu/eli/dec_impl/2021/914/, as may be amended, superseded or replaced.

1.19. "Sub-Processor" means any Processor engaged by ZKTeco or its Affiliates to assist in fulfilling ZKTeco's obligations with respect to the provision of the Services under the Agreement.

1.20. "UK Addendum" means the International Data Transfer Addendum issued by the UK Information Commissioner under section 119A(1) of the Data Protection Act 2018, as may be amended, superseded, or replaced.

2. Customer Responsibilities

2.1. **Compliance with Laws**. Within the scope of the Agreement and in its use of the services, Customer shall be responsible for complying with all requirements that apply to it under applicable Data Protection Laws with respect to its Processing of Personal Data and the Instructions it issues to ZKTeco. In particular but without prejudice to the generality of the foregoing, Customer acknowledges and agrees that it shall be solely responsible for: (i) the accuracy, quality, and legality of Personal Data and the means by which Customer acquired Personal Data; (ii) complying with all necessary transparency and lawfulness requirements under applicable Data Protection Laws for the collection and use of the Personal Data, including obtaining any necessary consents and authorizations (particularly for use by Customer for marketing purposes); (iii) ensuring it has the right to transfer, or provide access to, the Personal Data to ZKTeco for Processing in accordance with the terms of the Agreement (including this DPA); (iv) ensuring that its Instructions to ZKTeco regarding the Processing of Personal Data comply with applicable laws, including Data Protection Laws; and (v) complying with all laws (including Data Protection Laws) applicable to any emails or other content created, sent or managed through the Services, including those relating to obtaining consents (where required) to send emails, the content of the emails and its email deployment practices. Customer shall inform ZKTeco without undue delay if it is not able to comply with its responsibilities under this sub-section (a) or applicable Data Protection Laws.

2.2. **Controller Instructions**. The parties agree that the Agreement (including this DPA), together with your use of the Subscription Service in accordance with the Agreement, constitute your complete Instructions to us in relation to the Processing of Personal Data, so long as you may provide additional instructions during the subscription term that are consistent with the Agreement, the nature and lawful use of the Subscription Service.

2.3. **Security**. You are responsible for independently determining whether the data security provided for in the Subscription Service adequately meets your obligations under applicable Data Protection Laws. You are also responsible for your secure use of the Services, including protecting the security of Personal Data in transit to and from the Subscription Service (including to securely backup or encrypt any such Personal Data).

3. ZKTeco Obligations

3.1. **Compliance with Instructions**. ZKTeco shall only Process Personal Data for the purposes described in this DPA or as otherwise agreed within the scope of Customer's lawful Instructions, except where and to the extent otherwise required by applicable law. ZKTeco is not responsible for compliance with any Data Protection Laws applicable to Customer or Customer's industry that are not generally applicable to ZKTeco.

3.2. **Conflict of Laws**. If ZKTeco becomes aware that it cannot Process Personal Data in accordance with Customer's Instructions due to a legal requirement under any applicable law, ZKTeco will (i) promptly notify Customer of that legal requirement to the extent permitted by the applicable law; and (ii) where necessary, cease all Processing (other than merely storing and maintaining the security of the affected

Personal Data) until such time as Customer issues new Instructions with which ZKTeco is able to comply. If this provision is invoked, ZKTeco will not be liable to Customer under the Agreement for any failure to perform the applicable Services until such time as Customer issues new lawful Instructions with regard to the Processing.

3.3. **Security**. ZKTeco shall implement and maintain appropriate technical and organizational measures to protect Personal Data from Personal Data Breaches, as described under Annex 2 to this DPA ("Security Measures"). Notwithstanding any provision to the contrary, ZKTeco may modify or update the Security Measures at its discretion provided that such modification or update does not result in a material degradation in the protection offered by the Security Measures.

3.4. **Confidentiality**. ZKTeco shall ensure that any personnel whom ZKTeco authorizes to Process Personal Data on its behalf is subject to appropriate confidentiality obligations (whether a contractual or statutory duty) with respect to that Personal Data.

3.5. **Personal Data Breaches**. ZKTeco will notify Customer without undue delay after it becomes aware of any Personal Data Breach and shall provide timely information relating to the Personal Data Breach as it becomes known or reasonably requested by Customer. At Customer's request, ZKTeco will promptly provide Customer with such reasonable assistance as necessary to enable Customer to notify relevant Personal Data Breaches to competent authorities and/or affected Data Subjects, if Customer is required to do so under Data Protection Laws.

3.6. **Deletion or Return of Personal Data**. We will delete or return all Personal Data (including copies thereof) Processed pursuant to this DPA, on termination or expiration of your Subscription Service in accordance with the procedures set out in our CirrusDCS Services Privacy Policy.

4. **Data Subject Requests**

4.1. The Service provides controls that Customer may use to retrieve, correct, delete or restrict Personal Data and which Customer may use to assist it in connection with its obligations under Data Protection Laws, including its obligations relating to responding to requests from Data Subjects to exercise their rights under applicable Data Protection Laws ("Data Subject Requests").

4.2. To the extent that Customer is unable to independently address a Data Subject Request through the Service, then upon Customer's written request ZKTeco shall provide reasonable assistance to Customer to respond to any Data Subject Requests or requests from data protection authorities relating to the Processing of Personal Data under the Agreement. Customer shall reimburse ZKTeco for the commercially reasonable costs arising from this assistance.

4.3. If a Data Subject Request or other communication regarding the Processing of Personal Data under the Agreement is made directly to ZKTeco, ZKTeco will promptly inform Customer and will advise the Data Subject to submit their request to Customer. Customer shall be solely responsible for responding substantively to any such Data Subject Requests or communications involving Personal Data.

5. **Sub-Processors**

5.1. You agree we may engage Sub-Processors to Process Personal Data on your behalf to assist us with hosting and infrastructure.

5.2. We have currently appointed, as Sub-Processors, the third parties and ZKTeco Affiliates listed in Annex 4 to this DPA. If you opt-in to receive such email, we will notify you at least 30 days prior to any such change.

5.3. We will give you the opportunity to object to the engagement of new Sub-Processors on reasonable grounds relating to the protection of Personal Data within 30 days of notifying you. If you do notify us of such an objection, the parties will discuss your concerns in good faith with a view to achieving a commercially reasonable resolution. If no such resolution can be reached, we will, at our sole discretion, either not appoint the new Sub-Processor, or permit you to suspend or terminate the affected Subscription Service in accordance with the termination provisions of the Agreement without liability to either party (but without prejudice to any fees incurred by you prior to suspension or termination). The parties agree that by complying with this sub-section, ZKTeco fulfills its obligations under Sections 9 of the Standard Contractual Clauses.

5.4. Where we engage Sub-Processors, we will impose data protection terms on the Sub- Processors that provide at least the same level of protection for Personal Data as those in this DPA (including, where appropriate, the Standard Contractual Clauses), to the extent applicable to the nature of the services provided by such Sub-Processors. We will remain responsible for each Sub-Processor's compliance with the obligations of this DPA and for any acts or omissions of such Sub-Processor that cause us to breach any of its obligations under this DPA.

6. **Data Transfers.** You acknowledge and agree that we may access and Process Personal Data on a global basis if necessary to provide the Subscription Service in accordance with the Agreement, and in particular that Personal Data may be transferred to and Processed by ZKTeco in the United States and, possibly, to other jurisdictions where ZKTeco has operations, if agreed to by ZKTeco and Customer. Wherever Personal Data is transferred outside its country of origin, each party will ensure such transfers are made in compliance with the requirements of Data Protection Laws.

7. **Demonstration of Compliance**. ZKTeco shall make available to Customer all information reasonably necessary to demonstrate compliance with this DPA and allow for and contribute to audits, including inspections by Customer in order to assess compliance with this DPA. Customer acknowledges and agrees that it shall exercise its audit rights under this DPA by instructing ZKTeco to comply with the audit measures described in this sub-section. Customer acknowledges that the Service is hosted by ZKTeco's data center partner, Amazon Web Services (AWS). AWS maintains an audited security program, including SOC 2, NIST, ISO, and FedRAMP compliance and ZKTeco's systems are regularly tested by independent third party penetration testing firms. Upon request, ZKTeco shall supply (on a confidential basis) a summary copy of its penetration testing report(s) to Customer so that Customer can verify ZKTeco's compliance with this DPA. Further, at Customer's written request, ZKTeco will provide written responses (on a confidential basis) to all reasonable requests for information made by Customer necessary to confirm ZKTeco's compliance with this DPA, provided that Customer shall not exercise this right more than once per calendar year unless you have reasonable grounds to suspect non-compliance with the DPA.

8. **Additional Provisions for European Data**

   8.1. **Scope of Section 7**. This Section 7 (Additional Provisions for European Data) shall apply only with respect to European Data.

   8.2. **Roles of the Parties**. When Processing European Data in accordance with Customer's Instructions, the parties acknowledge and agree that Customer is the Controller of European Data and ZKTeco is the Processor.

   8.3. **Instructions**. If ZKTeco believes that an Instruction of Customer infringes European Data Protection Laws (where applicable), it will inform Customer without delay.

8.4. **Sub-Processor Agreements**. For the purposes of Clause 9(c) of the Standard Contractual Clauses, you acknowledge that we may be restricted from disclosing Sub-Processor agreements but we will use reasonable efforts to require any Sub-Processor we appoint to permit it to disclose the Sub-Processor agreement to you and will provide (on a confidential basis) all information we reasonably can.

8.5. **Data Protection Impact Assessments and Consultation with Supervisory Authorities**. To the extent that the required information is reasonably available to ZKTeco, and Customer does not otherwise have access to the required information, ZKTeco will provide reasonable assistance to Customer with any data protection impact assessments, and prior consultations with supervisory authorities or other competent data privacy authorities to the extent required by European Data Protection Laws.

8.6. **Transfer Mechanisms for Data Transfers.** ZKTeco will not transfer European Data to any country or recipient not recognized as providing an adequate level of protection for Personal Data (within the meaning of applicable European Data Protection Laws), unless it first takes all such measures as are necessary to ensure the transfer is in compliance with applicable European Data Protection Laws. Such measures may include (without limitation) transferring such data to a recipient that is covered by a suitable framework or other legally adequate transfer mechanism recognized by the relevant authorities or courts as providing an adequate level of protection for Personal Data, to a recipient that has achieved binding corporate rules authorization in accordance with European Data Protection Laws, or to a recipient that has executed appropriate standard contractual clauses in each case as adopted or approved in accordance with applicable European Data Protection Laws. You acknowledge that in connection with the performance of the Subscription Services, ZKTeco is a recipient of European Data in the United States. To the extent that ZKTeco, Inc. receives European Data in the United States, ZKTeco, Inc. will comply with the following:

8.6.1. **Data Privacy Framework**. ZKTeco will use the Data Privacy Framework to lawfully receive European Data in the United States and ensure that it provides at least the same level of protection to such European Data as is required by the Data Privacy Framework Principles and will let you know if it is unable to comply with this requirement.

8.6.2. **Standard Contractual Clauses**. If European Data Protection Laws require that appropriate safeguards are put in place (for example, if the Data Privacy Framework does not cover the transfer to ZKTeco, Inc. and/or the Data Privacy Framework is invalidated) the Standard Contractual Clauses will be incorporated by reference and form part of the Agreement as follows.

8.6.2.1. **EEA Transfers**. In relation to European Data that is subject to the GDPR (i) Customer is the "data exporter" and ZKTeco is the "data importer"; (ii) the Module Two terms apply to the extent the Customer is a Controller of European Data and the Module Three terms apply to the extent the Customer is a Processor of European Data; (iii) in Clause 7, the optional docking clause applies; (iv) in Clause 9, Option 2 applies and changes to Sub-Processors will be notified in accordance with the 'Sub-Processors' section of this DPA; (v) in Clause 11, the optional language is deleted; (vi) in Clauses 17 and 18, the parties agree that the governing law and forum for disputes for the Standard Contractual Clauses will be determined in accordance with the 'Contracting Entity; Applicable Law; Notice' section of the Jurisdiction Specific Terms or, if such section does not specify an EU Member State, the Republic of Ireland (without reference to conflicts of law principles); (vii) the Annexes of the Standard Contractual Clauses will be deemed completed with the information set out in the Annexes of this DPA; and (viii) if and to the extent the Standard Contractual Clauses conflict with any provision of this DPA the Standard Contractual Clauses will prevail to the extent of such conflict.

8.6.2.2. **UK Transfers**. In relation to European Data that is subject to the UK GDPR, the Standard Contractual Clauses will apply in accordance with sub-section (a) and the following modifications (i) the Standard Contractual Clauses will be modified and interpreted in accordance with the UK Addendum, which will be incorporated by reference and form an integral part of the Agreement; (ii) Tables 1, 2 and 3 of the UK Addendum will be deemed completed with the information set out in the Annexes of this DPA and Table 4 will be deemed completed by selecting "neither party"; and (iii) any conflict between the terms of the Standard Contractual Clauses and the UK Addendum will be resolved in accordance with Section 10 and Section 11 of the UK Addendum.

8.6.2.3. **Swiss Transfers**. In relation to European Data that is subject to the Swiss DPA, the Standard Contractual Clauses will apply in accordance with sub-section(a) and the following modifications (i) references to "Regulation (EU) 2016/679" will be interpreted as references to the Swiss DPA; (ii) references to "EU", "Union" and "Member State law" will be interpreted as references to Swiss law; and (iii) references to the "competent supervisory authority" and "competent courts" will be replaced with the "the Swiss Federal Data Protection and Information Commissioner " and the "relevant courts in Switzerland".

8.6.2.4. You agree that by complying with our obligations under the 'Sub-Processors' section of this DPA, ZKTeco, Inc. fulfills its obligations under Section 9 of the Standard Contractual Clauses. For the purposes of Clause 9(c) of the Standard Contractual Clauses, you acknowledge that we may be restricted from disclosing Sub-Processor agreements but we will use reasonable efforts to require any Sub-Processor we appoint to permit it to disclose the Sub-Processor agreement to you and will provide (on a confidential basis) all information we reasonably can. You also acknowledge and agree that you will exercise your audit rights under Clause 8.9 of the Standard Contractual Clauses by instructing us to comply with the measures described in the 'Demonstration of Compliance' section of this DPA.

8.7. In the event that ZKTeco is required to adopt an alternative transfer mechanism for European Data, in addition to or other than the mechanisms described above, such alternative transfer mechanism will apply automatically instead of the mechanisms described in this DPA (but only to the extent such alternative transfer mechanism complies with European Data Protection Laws), and you agree to execute such other documents or take such action as may be reasonably necessary to give legal effect such alternative transfer mechanism.

9. **Additional Provisions for California Personal Information**

9.1. **Scope of Section 8**. The 'Additional Provisions for California Personal Information' section of the DPA will apply only with respect to California Personal Information.

9.2. **Roles of the Parties**. When processing California Personal Information in accordance with your Instructions, the parties acknowledge and agree that you are a Business and we are a Service Provider for the purposes of the CCPA.

9.3. **Responsibilities**. We certify that we will Process California Personal Information as a Service Provider strictly for the purpose of performing the Subscription Services and Consulting Services under the Agreement (the "Business Purpose") or as otherwise permitted by the CCPA, including as described in the 'Usage Data' section of our Privacy Policy.

Further, we certify we i) will not Sell or Share California Personal Information; (ii) will not Process California Personal Information outside the direct business relationship between the parties, unless required by applicable law; and (iii) will not combine the California Personal Information included in Customer Data with personal information that we collect or receive from another source (other than information we receive from another source in connection with our obligations as a Service Provider under the Agreement).

9.4. **Compliance**. We will (i) comply with obligations applicable to us as a Service Provider under the CCPA and (ii) provide California Personal Information with the same level of privacy protection as is required by the CCPA. We will notify you if we make a determination that we can no longer meet our obligations as a Service Provider under the CCPA.

9.5. **Not a Sale**. The parties acknowledge and agree that the disclosure of California Personal Information by the Customer to ZK does not form part of any monetary or other valuable consideration exchanged between the parties.

9.6. **CCPA Audits**. You will have the right to take reasonable and appropriate steps to help ensure that we use California Personal Information in a manner consistent with Customer's obligations under the CCPA. Upon notice, you will have the right to take reasonable and appropriate steps in accordance with the Agreement to stop and remediate unauthorized use of California Personal Information.

9.7. **Certification**. ZKTeco certifies that it understands and will comply with the restrictions set out in Section 8(c) (Responsibilities).

10. General Provisions

10.1. **Amendments**. Notwithstanding anything else to the contrary in the Agreement and without prejudice to Section 3.3 (Security), ZKTeco reserves the right to make any updates and changes to this DPA and the terms that apply in Section 10.1, "Amendment; No Waiver" of the Agreement shall apply.

10.2. **Severability**. If any individual provisions of this DPA are determined to be invalid or unenforceable, the validity and enforceability of the other provisions of this DPA shall not be affected.

10.3. **Limitation of Liability**. Each party and each of their Affiliates' liability, taken in aggregate, arising out of or related to this DPA (and any other DPAs between the parties) and the Standard Contractual Clauses (where applicable), whether in contract, tort or under any other theory of liability, shall be subject to the limitations and exclusions of liability set out in the section of the Agreement entitled 'Limitation of Liability' and any reference in such section to the liability of a party means aggregate liability of that party and all of its Affiliates under the Agreement (including this DPA).

10.4. **Governing Law**. This DPA shall be governed by and construed in accordance with the governing law and jurisdiction provisions in the Agreement, unless required otherwise by Data Protection Laws.

11. Parties to this DPA

11.1. **Permitted Affiliates**. By signing the Agreement, Customer enters into this DPA on behalf of itself and, to the extent required under applicable Data Protection Laws, in the name and on behalf of its Permitted Affiliates, thereby establishing a separate DPA between ZKTeco and each such Permitted Affiliate subject to the Agreement and Sections 9 and 10 of this DPA. Each Permitted Affiliate agrees to be bound by the obligations under this DPA and, to the extent applicable, the Agreement. For the

purposes of this DPA only, and except where indicated otherwise, the term "Customer" shall include Customer and such Permitted Affiliates.

11.2. **Authorization**. The legal entity agreeing to this DPA as Customer represents that it is authorized to agree to and enter into this DPA for and on behalf of itself and, as applicable, each of its Permitted Affiliates.

11.3. **Remedies**. Except where applicable Data Protection Laws require a Permitted Affiliate to exercise a right or seek any remedy under this DPA against ZKTeco directly by itself, the parties agree that (i) solely the Customer entity that is the contracting party to the Agreement shall exercise any right or seek any remedy any Permitted Affiliate may have under this DPA on behalf of its Affiliates, and (ii) the Customer entity that is the contracting party to the Agreement shall exercise any such rights under this DPA not separately for each Permitted Affiliate individually but in a combined manner for itself and all of its Permitted Affiliates together. The Customer entity that is the contracting entity is responsible for coordinating all communication with ZKTeco under the DPA and shall be entitled to make and receive any communication related to this DPA on behalf of its Permitted Affiliates.

11.4. **Audit Rights**. The parties agree that Customer shall, when reviewing ZKTeco's compliance with this DPA pursuant to Section 7 (Demonstration of Compliance), take all reasonable measures to limit any impact on ZKTeco and its Affiliates by combining several audit requests carried out on behalf of the Customer entity that is the contracting party to the Agreement and all of its Permitted Affiliates in one single audit.

Annex 1 - Details of Processing
This Annex forms part of the DPA.

A. **List of Parties**

    a. **Data Exporter**
        i. Name:
        ii. Address:
        iii. Contact Person's Name:
        iv. Activities relevant to data transferred under these Clauses:
        v. Role: Controller

    b. **Data Importer**
        i. Name: ZK Technology LLC
        ii. Address: 200 Centennial Drive, Piscataway, New Jersey, USA
        iii. Contact Person's Name: Ruben Maldonado
        iv. Activities relevant to data transferred under these Clauses: Processing Personal Data in connection with the Customer's use of the Services.
        v. Role: Processor

B. **Nature and Purpose of Processing**

ZKTeco will Process Personal Data as necessary to provide the Services pursuant to the Agreement, as further specified in the Order Form, and as further instructed by Customer in its use of the Services, including, but not limited to, employee timeclock time punch data for purposes of tracking time.

C. **Duration of Processing**

Subject to the "Deletion or Return of Personal Data" section of this DPA, ZKTeco will Process Personal Data for the duration of the Agreement, unless otherwise agreed in writing.

D. **Categories of Data subjects**

Customer may submit Personal Data in the course of using the Services, the extent of which is determined and controlled by Customer in its sole discretion, and which may include, but is not limited to Personal Data relating to the following categories of Data Subjects: current Customer personnel.

E. **Categories of Personal Data**

Customer may submit Personal Data to the Services, the extent of which is determined and controlled by Customer in its sole discretion, and which may include but is not limited to the following categories of Personal Data:
    a. Employee name (first name, last name)
    b. Badge information and associated data such as employee ID number and other information stored on the badge
    c. Site location of the timeclock punch

F. **Special categories of data (if appropriate)**

The parties do not anticipate the transfer of special categories of data.

G. **Processing operations**

Personal Data will be Processed in accordance with the Agreement (including this DPA) and may be subject
to the following Processing activities:

 a. Storage and other Processing necessary to provide, maintain and improve the Services provided to
   Customer; and/or
  b. Disclosure in accordance with the Agreement (including this DPA) and/or as compelled by
   applicable laws.

Annex 2 - Security Measures
This Annex forms part of the DPA.

ZKTeco currently observes the Security Measures described in this Annex 2. All capitalized terms not otherwise defined herein shall have the meanings as set forth in the Agreement.

1. Information Security Policy

ZKTeco maintains a written Information Security policy that defines Customer's responsibilities and acceptable use of information system resources. The organization receives signed acknowledgement from Customers indicating that they have read, understand, and agree to abide by the rules of behavior, before providing authorized access to ZKTeco information systems. This policy is periodically reviewed and updated as necessary.

Our security policies cover a wide array of security related topics ranging from general standards with which every employee must comply, such as account, data, and physical security, to more specialized security standards covering internal applications and information systems.

2. Organizational Security

Information security roles and responsibilities are defined within the organization. The security team focuses on information security, global security auditing and compliance, as well as defining the security controls for protection of ZKTeco's hardware infrastructure.

The security team receives information system security notifications on a regular basis and distributes security alert and advisory information to the organization on a routine basis after assessing the risk and impact as appropriate.

ZKTeco follows the NIST Cybersecurity Framework with layered security controls to help identify, prevent, detect, and respond to security incidents. The information security manager is also responsible for tracking incidents, vulnerability assessments, threat mitigation, and risk management.

3. Asset Management

ZKTeco's data and information system assets are comprised of customer and end-user assets as well as corporate assets. These asset types are managed under our security policies and procedures. ZKTeco authorized personnel who handle these assets are required to comply with the procedures and guidelines defined by ZKTeco security policies.

4. Personnel Security

ZKTeco employees are required to conduct themselves in a manner consistent with the company's guidelines, including those regarding confidentiality, business ethics, appropriate usage, and professional standards. All newly hired employees are required to sign confidentiality agreements and to acknowledge the ZKTeco code of conduct policy.

The code outlines the company's expectation that every employee will conduct business lawfully, ethically, with integrity, and with respect for each other and the company's users, partners, and competitors. Processes and procedures are in place to address employees who are on-boarded and off-boarded from the company.

Employees are provided with security training as part of new hire orientation. In addition, each ZKTeco employee is required to read, understand, and take a training course on the company's code of conduct.

5. Physical and Environmental Security

ZKTeco outsources hosting of its ZKTECO Cloud infrastructure to leading cloud infrastructure providers. ZKTeco products leverage Amazon Web Services (AWS) for SaaS infrastructure hosting. These solutions are secure by design and provide high levels of physical and network security. At present, ZKTeco's AWS cloud server and instances reside only in US and Europe locations. AWS maintains an audited security program, including SOC 2, NIST, ISO, and FedRAMP compliance.

ZKTeco does not host any production software systems within its corporate offices. Amazon AWS is world-class infrastructure providers leverage the most advanced facilities infrastructure such as power, networking, and security. Facilities uptime is guaranteed between 99.95% and 100% and ensures a minimum of N+1 redundancy to all power, network, and HVAC services. Access to these providers' sites is highly restricted to both physical access as well as electronic access through public (internet) and private (intranet) networks in order to eliminate any unwanted interruptions in our service to our customers. The physical, environmental, and infrastructure security protections, including continuity and recovery plans, have been independently validated as part of their SOC 2 Type II certifications. More information and certificates are available at the AWS compliance and security site:

AWS System and Organization Controls: https://aws.amazon.com/compliance/soc-faqs/

AWS Controls: https://aws.amazon.com/compliance/data-center/controls/

6. Operational Security
a. Change Management

ZKTeco maintains a change management process to ensure that all changes made to the production environment are applied in a deliberate manner. Changes to information systems, network devices, and other system components, and physical and environment changes are monitored and controlled through a formal change control process. Changes are reviewed, approved, tested and monitored post-implementation to ensure that the expected changes are operating as intended.

b. **Supplier and Vendor Relationships**

ZKTeco partners with suppliers and vendors that operate with the same or similar values around lawfulness, ethics, and integrity that ZKTeco does. As part of its review process, we screen our suppliers and vendors and bind them to appropriate confidentiality and security obligations, especially if they manage customer data.

ZKTeco does not give our suppliers or vendors direct access to network/equipment management responsibility. Our procurement department may perform audits from time to time on ZKTeco suppliers and vendors in an effort to ensure the confidentiality, integrity, and availability of data that our third party suppliers or vendors may handle.

c. **Auditing and Logging**

We maintain audit logs on systems. These logs provide an account of which personnel have accessed which systems. Access to our auditing and logging tool is controlled by limiting access to authorized individuals. Security events are logged, monitored, and addressed by trained security team members. Network components, workstations, applications and any monitoring tools are enabled to monitor user activity. Organizational responsibilities for responding to events are defined. Security events that record critical system configuration changes and administrators are alerted at the time of change. Retention schedules for the various logs are defined in our security control guidelines.

d. **Antivirus and Malware Protection**

Antivirus and malicious code protection is centrally managed and configured to retrieve the updated signatures and definitions available. Malicious code protection policies automatically apply updates to these protection mechanisms. Anti-virus tools are configured to run scans, virus detection, real-time file write activity and signature file updates. Laptop and remote users are covered under virus protection. Procedures to detect and remove unauthorized or unsupported (e.g. freeware) applications are documented.

e. **System Backups**

ZKTeco has backup standards and guidelines and associated procedures for performing backup and restoration of data in a scheduled and timely manner. Controls are established to help safeguard backed up data (onsite and off-site). We also work to ensure that customer data is securely transferred or transported to and from backup locations. Periodic tests are conducted to test whether data can be safely recovered from backup devices.

f. **Network Security**

Our infrastructure servers reside behind high-availability firewalls and are monitored for the detection and prevention of various network security threats. Firewalls are utilized to help restrict access to systems from external networks and between systems internally. By default, all access is denied and only explicitly allowed ports and protocols are allowed based on business need.

ZKTeco maintains separate development and production environments. Our next generation firewalls (NGFWs) provide adequate network segmentation through the establishment of security zones that control the flow of network traffic. These traffic flows are defined by strict firewall security policies.

Automated tools are deployed within the network to support near-real-time analysis of events to support of detection of system-level attacks. Next generation firewalls deployed within the data center as well as remote office sites monitor outbound communications for unusual or unauthorized activities, which may be an indicator of the presence of malware (e.g., malicious code, spyware, adware).

g. **Data Protection**

ZKTeco continually works to develop products that support the latest recommended secure cipher suites and protocols to encrypt traffic while in transit. We monitor the changing cryptographic landscape closely and work to upgrade our products to respond to new cryptographic weaknesses as they are discovered and implement best practices as they evolve. For encryption in transit, we do this while also balancing the need for compatibility for older clients.

h. **Vulnerability Management**

Security assessments are done to identify vulnerabilities and to determine the effectiveness of the patch management program. Each vulnerability is reviewed to determine if it is applicable, ranked based on risk, and assigned to the appropriate team for remediation.

i. **Patch Management**

ZKTeco strives to apply the latest security patches and updates to operating systems, applications, and network infrastructure to mitigate exposure to vulnerabilities. Patch management processes are in place to implement security patch updates as they are released by vendors. Patches are tested prior to being deployed into production.

j. **Secure Network Connections**

HTTPS encryption is configured for customer web application access. This helps to ensure that user data in transit is safe, secure, and available only to intended recipients. The level of encryption is negotiated to either SSL or TLS encryption and is dependent on what the web browser can support.

7. Access Controls
a. **Role Based Access**

Role based access controls are implemented for access to information systems. Processes and procedures are in place to address employees who are voluntarily or involuntarily terminated. Access controls to sensitive data in our databases, systems, and environments are set on a need-to-know / least privilege necessary basis. Access control lists define the

behavior of any user within our information systems, and security policies limit them to authorized behaviors.

b. **Authentication and Authorization**

We require that authorized users be provisioned with unique account IDs. Our password policy covers all applicable information systems, applications, and databases. Our password best practices enforce the use of complex passwords that include both alpha and numeric characters, which are deployed to protect against unauthorized use of passwords. Passwords are individually salted and hashed.

ZKTeco employees are granted a limited set of default permissions to access company resources, such as their email, and the corporate intranet. Employees are granted access to certain additional resources based on their specific job function. Requests for additional access follow a formal process that involves a request and an approval from a data or system owner, manager, or other executives, as defined by our security guidelines. Approvals are managed by workflow tools that maintain audit records of changes.

8. Software Development Lifecycle

We follow a defined methodology for developing secure software that is designed to increase the resiliency and trustworthiness of our products. Our products are deployed on an iterative, rapid release development lifecycle. Security and security testing are implemented throughout the entire software development methodology. Quality Assurance is involved at each phase of the lifecycle and security best practices are a mandated aspect of all development activities.

Our secure development lifecycle follows standard security practices including vulnerability testing, regression testing, penetration testing, and product security assessments. The ZKTeco architecture teams review our development methodology regularly to incorporate evolving security awareness, industry practices and to measure its effectiveness.

9. Incident Management

ZKTeco has a formalized incident response plan (Incident Response Plan) and associated procedures in case of an information security incident. The Incident Response Plan defines the responsibilities of key personnel and identifies processes and procedures for notification. Incident response personnel are trained, and execution of the incident response plan is tested periodically.

An incident response team is responsible for providing an incident handling capability for security incidents that includes preparation, detection and analysis, containment, eradication, and recovery.

10. Business Continuity and Disaster Recovery

To minimize service interruption due to hardware failure, natural disaster, or other catastrophe, we implement a disaster recovery program at all our data center locations. This program includes multiple components to minimize the risk of any single point of failure. Application data is replicated to multiple systems within the data center and, in some cases, replicated to secondary or backup data centers that are geographically dispersed to provide adequate redundancy and high availability. High-speed connections between our data centers help to support swift failover.

11. Data Protection

We apply a common set of personal data management principles to customer data that we may process, handle, and store. We protect personal data using appropriate physical, technical, and organizational security measures.

We give additional attention and care to sensitive personal data and respect local laws and customs, where applicable.

ZKTeco only processes personal information in a way that is compatible with and relevant for the purpose for which it was collected or authorized in accordance with our privacy policy. We take all reasonable steps to protect information we receive from our users from loss, misuse or unauthorized access, disclosure, alteration and/or destruction.

Annex 4 – Sub- Processors

Sub-Processor Name	Purpose	Location	Comments
Amazon Web Services	Secure Cloud Service for Hosting Infrastructure and Databases	US	Aws.amazon.com/compliance/data-privacy