

Managed Services for Withholding

This Data Sheet describes the following Managed Services available for Withholding to be provided by Sovos Compliance, LLC ("Sovos") to the customer named on an applicable Order Form (the "Customer") in accordance with this Data Sheet.

Sovos Withholding Compliance – Managed Services: Sovos provides tax withholding payments, filings and reconciliation activities on behalf of Customer to federal and state jurisdictions.

1 DEFINITIONS.

1.1 "Payments" means a distinct tax withholding payment made or initiated by Sovos to any federal or state jurisdiction.

1.2 "FEIN" (Federal Employer Identification Number) means a unique number assigned to a business entity for tax reporting purposes, or relevant tax identification number provided by the respective tax authority.

1.3 "Filing Return(s)" means a tax withholding reconciling return submitted by Sovos to any federal or state jurisdiction.

1.4 "941 equivalents" means a states' equivalent tax withholding reconciliation return that reports income taxes, social security tax or Medicare tax withheld from employee's paychecks similar to the IRS Form 941 Employer's Quarterly Federal Tax Return.

1.5 "945 equivalents" means a states' equivalent tax withholding reconciling return that reports 1) Pensions (including distributions from tax-favored retirement plans, for example, Section 401(k), Section 403(b), and governmental Section 457(b) plans), and annuities, 2) Military retirement, 3) Gambling winnings, 4) Indian gaming profits, 5) voluntary withholding on certain government payments, and 6) Backup withholding.

1.6 "Tax Liability Information" means the data containing liability information required for Sovos to perform all compliance activities on behalf of the customer.

2 Sovos Withholding Compliance – Managed Services – Standard

2.1 **Sovos Responsibilities.** Sovos Withholding Managed Services representatives will (i) provide required security level user setup and source data templates, (ii) manage liability data imports and validations into the Withholding Software; (iii) utilize liability data reflected in the Withholding Software to initiate Customer payments to federal and state regulatory agencies; (iv) generate and provide Customer federal paper 945 and 1042 Filing Return(s), (v) generate and file Customer state non-payroll (945 equivalent) Filing Return(s), (vi) document payment and Filing Return confirmations received by regulatory agencies, where applicable; and (vii) generate and provide Customer with information necessary to reconcile between source system or tax information return(s). Sovos will perform the Withholding Managed Services - Standard in accordance with the provisions of the Agreement, Sovos' Withholding Managed Services policies and procedures, and any additional documentation as required by Sovos.

2.2 **Customer Responsibilities.** Customer is responsible for any Customer obligations set forth in Sovos' Withholding Managed Services policies and procedures and providing any additional documentation as required by Sovos. Customer will (i) provide correct and accurate withholding tax liability information for withholding tax payments and Filing Return(s), (ii) provide tax liability information according to Sovos' provided template; (iii) provide tax liability information to Sovos no later than 10am CT daily; (iv) verify and provide approvals of payments and Filing Return(s) prior to submission to regulatory agencies; and (v) ensure proper funds are held within the financial account to fulfill payments. Customer will be responsible for filing federal return(s). If Customer fails to provide Sovos with the required information using Sovos' template by the deadline, Sovos may, at its sole discretion, charge a reasonable fee. Sovos does not guarantee timely payments and/or filing return(s) if Customer fails to provide the required information or approvals in a timely manner. Customer is solely responsible for payment and Filing Return amendments.

Customer is responsible for handling correspondence with federal and state regulatory agencies. If Customer does not create a direct connection between Customer's bank and Sovos, Customer will be responsible for providing the NACHA file to Customer's bank.

3 Sovos Withholding Compliance – Managed Services – Enhanced

3.1 **Sovos Responsibilities.** Sovos Withholding Managed Services representatives will (i) provide company and security level user setup; (ii) manage liability data imports and validations into the Withholding Software; (iii) utilize liability data reflected in the Withholding Software to initiate Customer payments to federal and state regulatory agencies; (iv) generate and file Customer federal 945 Filing Return (s) and state non-payroll (945 equivalent) Filing Return(s); (v) generate and provide Customer paper 1042 Filing Return(s); (vi) generate and provide federal and state amended Filing Return(s) up to 6 prior quarters, provided that Sovos has been providing Withholding Managed Services to Customer for at least 6 quarters, and further provided that Sovos may charge additional fees for amendment requests that exceed a reasonable number, subject to a mutually agreed upon Statement of Work; (vii) document payment and Filing Return confirmations received by regulatory agencies, where applicable; and (viii) generate and provide Customer with information needed to reconcile with source system or tax information return(s). Sovos will perform the Withholding Managed Services - Enhanced in accordance with the provisions of the Agreement, Sovos' Withholding Managed Services policies and procedures, and any additional documentation as required by Sovos.

3.2 **Customer Responsibilities.** Customer is responsible for any Customer obligations set forth in Sovos' Withholding Managed Services policies and procedures and providing any additional documentation as required by Sovos. Customer will (i) provide correct and accurate withholding tax liability information for withholding tax payments and return filings; (ii) provide tax liability information according to Sovos' provided template; (iii) provide tax liability information to Sovos no later than 10am CT daily; (iv) verify and provide approvals of payments and Filing Return(s) prior to submission to regulatory agencies; (iv) ensure proper funds are held within the financial account to fulfill payments. If Customer fails to provide Sovos with the required information using Sovos' template by the deadline, Sovos may, at its sole discretion, charge a reasonable fee. Sovos does not guarantee timely payments and/or filing return(s) if Customer fails to provide the required information or approvals in a timely manner. Customer is responsible for handling correspondences with federal and state regulatory agencies. If Customer does not create a direct connection between Customer's bank and Sovos, Customer will be responsible for providing the NACHA file to Customer's bank.

4 Sovos Withholding Compliance – Managed Services – Premium

4.1 **Sovos Responsibilities.** Sovos Withholding Managed Services representatives will (i) provide company and security level user setup; (ii) manage liability data imports and validations into the Withholding Software; (iii) utilize liability data reflected in the Withholding Software to initiate Customer payments to federal and state regulatory agencies; (iv) generate and file Customer federal 940, 941, and 945 Filing Return(s); (v) generate and file state 941 equivalent and 945 equivalent Filing Return(s), where possible; (vi) generate and provide Customer paper 1042 Filing Return(s); (vii) generate and provide federal and state amended Filing Return(s) up to 6 prior quarters, provided that Sovos has been providing Withholding Managed Services to Customer for at least 6

quarters, and further provided that Sovos may charge additional fees for amendment requests that exceed a reasonable number, subject to a mutually agreed upon Statement of Work; (viii) document payment and Filing Return confirmations received by regulatory agencies, where applicable; (vii) generate and provide Customer with information needed to reconcile with source system or tax information returns; (ix) research and log federal and state correspondences received to determine responsible party for audit or penalty defense. Sovos will perform the Withholding Managed Services - Premium in accordance with the provisions of the Agreement, Sovos' Withholding Managed Services policies and procedures, and any additional documentation as required by Sovos.

4.2 Customer Responsibilities. Customer is responsible for any Customer obligations set forth in Sovos' Withholding Managed Services policies and procedures and providing any additional documentation as required by Sovos. Customer will (i) provide correct and accurate withholding tax liability information for withholding tax payments and Filing Return(s); (ii) provide tax liability information according to Sovos' data requirements; (iii) provide tax liability information to Sovos no later than 12pm CT daily; (iv) verify and provide approvals of payments and Filing Return(s) prior to submission to regulatory agencies; (v) ensure proper funds are held within the financial account to fulfill payments. If Customer fails to provide Sovos with the required information according to Sovos' data requirements by the deadline, Sovos may, at its sole discretion, charge a reasonable fee. Sovos does not guarantee timely payments and/or filing return(s) if Customer fails to provide the required information or approvals in a timely manner. If Customer does not create a direct connection between Customer's bank and Sovos, Customer will be responsible for providing the NACHA file to Customer's bank.

5 Sovos Withholding Compliance – Managed Services – Federal Filing (MeF)

5.1 Sovos Responsibilities. Sovos will (i) provide Customer with MeF credentials for the Federal Filing forms, (ii) retain executed Form 8879 IRS eFile Signature Authorization in the event of an IRS audit during the term of the Agreement, (iii) submit files to the IRS and provide confirmations back to Customer.

5.2 Customer Responsibilities. Customer will (i) generate the prepared data for all Federal Filing forms for each period; (ii) generate completed Forms 8879 for each FEIN and for each period; (iii) send to Sovos a single file of all MeF outputs generated for all applicable FEINs for each filing period at least 5 business days prior to the submission date; (iv) send to Sovos a single file submission of all executed Form 8879 for each MeF output for each FEIN and filing period at least 5 business days prior to the submission date.

6. CHANGES. Sovos may, from time to time and in its discretion, make changes to this document or the terms and conditions set forth herein, provided however, in no event shall Sovos make any changes that will degrade Sovos' obligations under this Data Sheet without prior written notice to Customer. When Sovos makes changes hereto which do not degrade Sovos' obligations under this Data Sheet, Sovos will provide notice as appropriate under the circumstances, e.g., by displaying a notice within the applicable Sovos products or services, by updating the Data Sheet located at <https://sovoso.com/customer-legal-data-sheets/> or by sending Customer an email.

7. TERMS AND CONDITIONS. Customer's execution of an applicable Order Form for the Services applicable to this Data Sheet signifies Customer's agreement to the terms and conditions in this Data Sheet and its acknowledgment that the Services are provided under and are governed by such applicable Order Form and the separate written agreement between the parties that expressly governs Sovos' delivery of products and services (the "Governing Agreement").

8. DEFINED TERMS. Except as defined herein or otherwise required by the context herein, all defined terms used in this Data Sheet have the meaning set forth in the Governing Agreement.

This document constitutes a Data Sheet as defined in the Governing Agreement.

SOVOS MAKES NO WARRANTIES, EXPRESS OR IMPLIED, IN THIS DOCUMENT.