



Remote Payroll Service Level Agreement (SLA)

Definitions

For the purposes of this Service Level Agreement (“SLA”) the following definitions shall apply:

- **Business Day** means any day other than a Saturday, Sunday, or statutory public holiday in the jurisdiction where the payroll services are being provided.
- **Complex Requests** means a request that requires extensive analysis, cross-functional input, third-party liaison, or coordination across multiple jurisdictions, and which by its nature cannot be resolved through standard processing or within typical resolution timelines.
- **Customer** means the entity to which Remote provides Payroll services Under the Terms
- **Cut-off Date** means, in respect of each payroll period, the date specified in the Payroll Calendar by which the Customer must provide to Remote all information, documentation and authorisations required by Remote for the processing of the relevant payroll
- **Employee** means any individual employed by the Customer for whom Remote provides payroll or statutory processing services
- **Final Payment Files** means the payroll output provided by Remote after final calculation, detailing net pay, tax withholdings, and employer liabilities, for Customer review and funding in accordance with local regulations
- **Gross to Net Calculations** means the calculation of an Employee's remuneration from gross earnings to net pay, including all statutory and contractual deductions required under applicable law and the employment agreement in the relevant jurisdiction.



- **Payroll Calendar** means the mutually agreed schedule between Remote and the Customer that sets out, for each payroll cycle, the relevant cut-off dates, approval deadlines, and any other timeframes necessary for the timely processing, funding, and disbursement of Employee pay in accordance with applicable local requirements
- **Remote** means Remote Technology Services, Inc., Remote Europe Holding B.V and/or its affiliates, as identified in the Terms.
- **Resolution Times** means the period between the receipt by Remote of a query and the provision of a substantive, clear, and accurate response that either resolves the query or provides a definitive path to resolution.
- **Service Credit** means a financial credit applied by Remote against the Customer's monthly Service fees, calculated in accordance with Section 3 (Service Level Failure and Remedies) of this SLA.
- **Service Metric** means a performance standard set in this SLA against which Remote's delivery of the Payroll Services is measured
- **Severity Level** means the following classification by Remote of issues or queries based on their urgency, business impact, and compliance risk:
 - **Severity 1:** means issues that: (i) impact Employee net pay or statutory payments; or (ii) pose legal or regulatory risk to Remote or Customer, including payroll errors, non-payment, and tax remittance failures.
 - **Severity 2:** Issues affecting payroll input data or configuration that can still be resolved in a given payroll cycle, but do not involve pay-impacting errors.
 - **Severity 3:** Administrative or informational requests that do not impact payroll processing or compliance timelines.
- **Tax Withholding** means the process by which Remote, as part of its payroll services, deducts applicable statutory withholdings and other fees, taxes, duties, or levies, such as income taxes, social security contributions from an Employee's



gross pay in accordance with the prevailing laws and regulations of the jurisdiction in which the Employee is employed.

- **Terms** means Remote's Terms of Service available [here](#)

1. Service Level Agreement Overview

This SLA is between Remote and the Customer, and forms an integral part of the Terms. Unless expressly stated otherwise, capitalized terms used in this SLA shall have the meanings set out in the Definitions section or as defined in the Terms.

This SLA sets forth the operational performance standards, response times, and service quality metrics that Remote commits to in the delivery of payroll services. It is intended to ensure transparency, reinforce mutual accountability, and define the remedies available in the event of a failure to meet the agreed service levels.

In the event of a conflict between this SLA and the Terms, the provisions of this SLA shall prevail solely in respect of service level obligations, unless expressly agreed in writing by the parties that a provision of the Terms shall override a provision of this SLA.

Updates to the Terms, including those incorporated by reference into this SLA, shall automatically apply to this SLA unless otherwise specified.

2. Service Expectations, Goals and Metrics

The service expectations are the responsibilities of Remote in the ongoing support of this SLA. These service expectations are meant to monitor the more critical elements of the services provided and are not meant to reflect the comprehensive services offered by Remote. The productivity indicators reflected below are not listed in any order of priority.



2.1. Query Management and Issue Resolution

- Acknowledgement: Remote will acknowledge receipt of Customer inquiry via email and provide solution or feedback within one (1) Business day.
- Complex Requests: For complex requests, Remote will continuously provide updates on a regular basis to Customer and aim to resolve this as soon as practicably possible, depending on the severity level outlined below in 2.1.1. Severity Level and Description of Queries & Issues.
- Calls with Customers: Remote may attend calls, as reasonably necessary, with the Customer to learn from issues that were encountered during payroll processing and align with the Customer on improvements moving forward.

2.1.1. Severity Level and Description of Queries & Issues

Severity Level	General Description of Queries & Issues
Severity 1 (Critical)	<ul style="list-style-type: none">• Impacts employee net payroll and statutory payments (including termination simulations, final payslips, overpayment, underpayment, late or no payment) or• Impacts payroll compliance obligations that can result in financial penalties.
Severity 2	<ul style="list-style-type: none">• Updates, requests, inputs of employee and payroll data that can still be processed in the input file for next available payroll cycles or• Queries not resulting from inaccuracy or delay of payroll
Severity 3	<ul style="list-style-type: none">• Administrative tasks not requiring immediate action or adjustments, and• Are not driven by any regulatory due dates and obligations



2.1.2. Acknowledgement Response/Resolution Times Goals by Severity Level

Severity Level	Service Metrics	Acknowledgement Response Time	Goals	Resolution Time	Goals
Severity 1 (Critical)	Timeliness: Emails shall be monitored by Remote; and feedback from the Customer key contacts shall be consolidated	< one (1) Business day from receipt of query from the Customer	99.5 %	< 1 Business day) from receipt of query from the Customer	>97%
Severity 2		< two (2) Business day from receipt of query from the Customer	95%	< 3 Business days from receipt of query from the Customer	>95%
Severity 3		< two (2) Business day from receipt of query from the Customer	95%	< 5 Business days from receipt of query from the Customer	>95%

2.2. Payroll Payments to Employees

- Process Payroll: Remote will process regular payroll cycles and employee data changes submitted via the payroll input file, time-off tracker, or other required documentation, provided these are received by Remote in a timely manner.
- As when applicable in a country, off-cycle payrolls are necessary in order to release mandatory termination pay, first payroll of new hires, and/or other payments that didn't make the on-cycle payroll. An additional fee may be incurred should this be requested during an off cycle payroll run as detailed in the Payroll Calendar. In addition, final payslip during termination simulation shall be provided only upon request.
- Payroll Calendar: Payroll payments shall be subject to the Payroll Calendar and its processing schedule. The calendar shall be provided separately considering both the Customers needs and constraints, and agreed to by both Remote and Customer.
- Gross to Net Calculations: Remote will calculate and ensure the completeness and accuracy of the gross to net payroll payments consolidated in a payroll output file



by the agreed cutoff date/s per payroll run. Remote will endeavor to make necessary corrections during payroll runs until approval is obtained from the Customer. Remote can not guarantee should there be any error on the input by the Customer, this will meet the payroll run.

- Tax Withholding: Remote shall apply tax withholding and statutory contributions rates based on prevailing regulations in the country.
- Final Payment Files: Remote shall provide final employee payment files for review and approval. The said files will be provided to the Customer for funding banking deposit and tax liability purposes, based on country regulations.

2.3. Tax and Social Security Payments to Government Authorities- Subject to local law

- Tax Withholding: Remote shall apply tax withholding and statutory contributions rates based on prevailing regulations in the country.
- Customer Responsibility: The Customer will timely remit the due employee and employer taxes and social security payments to the government authorities, then send confirmation to Remote once completed. The due dates can be monthly, quarterly or annually depending on regulatory rulings.
- Error Monitoring: The Customer will monitor bank rejections or any kind of errors within the remittance process. The Customer will immediately notify Remote and re-process such payments.
- Penalty Notification: If there are penalties as a result of delayed remittance, Customer must also inform Remote immediately in order to prepare funding and any needed mitigations.

Remote Requirements	Service Metrics	Goals
<p>Remote will provide payment files to the Customer by the agreed cutoff date and time per payroll calendar</p> <p>Customer shall provide accurate and complete input data in the agreed format and submitted by</p>	<p>Timeliness: Total number of employees whose taxes & social security contributions are remitted to the authorities' bank accounts by the regulatory due dates per payroll calendar / Total number of employees with tax & social security amounts per approved output files for on-cycle & off-cycle runs, within the payroll month period</p>	<p>100%</p>



<p>the agreed cut off date/s per payroll calendar</p> <p>Payroll output files approved by Remote by the agreed cut off date/s per payroll calendar</p>	<p>Accuracy: Total number of employees without **errors discovered after tax & social security remittances have been made/ Total number of employees with tax & social security amounts per approved output files for on-cycle & off-cycle runs, within the payroll month period</p> <p>**errors - errors in employee statutory amounts shall also be considered pay-impacting errors. These errors affect employer costs for the Customer and may result in accumulating penalties due to inaccuracies.</p>	<p>>95%</p>
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2.4. Tax and Social Security Filings and Other Payroll Statutory Compliance- Subject to local law

- Customer Responsibility: The Customer will file monthly/quarterly/annually the necessary tax, social security and other statutory returns or documents to the government authorities then send confirmation to Remote once completed.
- Remote Responsibility: Remote will issue tax certificates/statements/returns for the employees then send to the Customer to distribute to employees via the Remote platform.
- Remote Responsibility: Remote will complete employee declarations/registrations of new hires and de-registration tasks of terminated employees, within government authorities as when needed

Remote Requirements	Service Metrics	Goals
<p>Accurate and complete input data in agreed format and submitted by Customer to Remote by the agreed cut off date/s per payroll calendar</p> <p>Payroll output files approved by Customer by the agreed cut off date/s per payroll calendar</p>	<p>Timeliness: Total number of employees with statutory filings completed by the regulatory due dates per payroll calendar / Total number of employees with required statutory filings, within the payroll month period</p>	<p>100%</p>
	<p>Accuracy & Completeness: Total number of employees without **errors</p>	<p>>99%</p>



	<p>discovered after statutory filings have been made/ Total number of employees with required statutory filings, within the payroll month period</p> <p><u>**errors</u> - errors in employee statutory amounts shall also be considered pay-impacting errors. These errors affect employer costs for the Customer and may result in accumulating penalties due to inaccuracies.</p>	
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2.5. Payslips Production

- Payslips: Remote shall make payslips available via the Remote platform for Customer's distribution to Employees

Remote Service Requirements	Service Metrics	Goals
<p>Accurate and complete input data in agreed format and submitted by the Customer to Remote, by the agreed cut off date/s per payroll calendar</p> <p>Payroll output files approved by Customer, by the agreed cut off date/s per payroll calendar</p>	<p>Timeliness: Total number of employees whose final payslip files are provided by Remote by the agreed receipt date per payroll calendar / Total number of employees processed in the approved output files for on-cycle & off-cycle runs, within the payroll month period</p>	>99%
	<p>Accuracy & Completeness: Total number of employees without <u>**errors</u> discovered after payslips have been distributed / Total number of employees processed in the approved output files for on-cycle & off-cycle runs, within the payroll month period</p> <p><u>**errors</u> - errors and misses in payslips which would require amendment and rework</p>	>95%



3. Service Level Failure and Remedies

3.1. Service Level Failure

Remote's failure to meet any Service Metric in Section 2 constitutes a Service Level Failure, subject to the exclusions in Section 3.4. Following a Service Level Failure, Customer shall be entitled to a Service Credit as set forth in Section 3.2.

3.2. Service Credit Framework

The following Service Credits shall apply for the specific calendar month in which a Service Level Failure occurs:

Breach Type	Trigger	Credit (per month)
Accuracy < 99% in Section 2.2 or 2.3	One occurrence	5% of monthly payroll fee
Timeliness < 99% for Severity 1 issues	One occurrence	5% of monthly payroll fee
Tax/filing delay below Goals in Section 2.4 and that causes financial penalty	One occurrence	5% of monthly payroll fee

3.3. Repeated Service Level Failures

If Remote fails to meet the same Service Metric in any two (2) consecutive payroll cycles within a rolling six (6) month period, the Customer shall be entitled to a Service Credit equal to ten percent (10%) of the monthly payroll service fees for the affected country or entity.

If the same Service Metric is breached in three (3) consecutive payroll cycles within the same rolling six (6) month period, the Service Credit shall increase to fifteen percent (15%) of the monthly payroll service fees for the affected country or entity.



These credits are cumulative with any other applicable Service Credits under this SLA, and shall be subject to the cap set out in Section 3.5.

3.4. Exclusions

Remote shall not be liable for Service Credits where the failure results from:

- (a) the Customer's failure to provide timely or complete inputs;
- (b) delay caused in whole or in part by Customer;
- (c) regulatory changes implemented less than five Business Days before a payroll run; or
- (d) any Force Majeure Event, meaning any circumstance beyond the reasonable control of Remote or Customer (including acts of God, war, strike, lockout, epidemic, material unavailability, or destruction of facilities), provided that the affected party has used commercially reasonable efforts to mitigate its effects, in which case the affected performance shall be excused without penalty and the performance period extended accordingly.

3.5. Cap on Service Credits

The maximum aggregate Service Credits payable by Remote in any 12-month period shall not exceed twenty five percent (25%) of the total annual payroll services fees under the Terms or any applicable Order Form.

3.6. Sole and Exclusive Remedy

Except in the case of willful misconduct, gross negligence, or fraud, the Service Credits set out in this SLA shall be the Customer's sole and exclusive remedy for any claim related to a Service Level Failure.

3.7 No SLA where Customer in Breach

Remote's obligations under this SLA shall be suspended during any period in which Customer is in material breach of the Terms, including any failure to make timely payment of Fees.



4. Periodic Review

This SLA shall commence upon the Customer's acceptance of the Terms and remain valid until termination or expiration. Remote shall review this SLA at least once per fiscal year and may amend it at its discretion

5. Responsibilities

The following table lists the various processes and who will be responsible for them:

No.	Description	Responsible
1	Basic employee set-up (non-payroll related data) for new employees	Customer
2	Set-up of Payroll related data for new employees	Customer
3	Register new employees with appropriate authorities on behalf of the Client	Remote
4	Changes to salary both ad hoc and the annual review changes each year.	Customer
5	Changes to basic employee data (non-payroll related)	Customer
6	Process in payroll all the changes following the country specific regulations	Remote
7	Timesheet entry for all employees required to document working time under local law.	Customer
8	Manual pay-related adjustments including prior period adjustments	Remote (Subject to additional charge)



9	Enter Bonus, Commission or additional payments calculations and collection in a schedule	Customer
10	Process in payroll the Bonus, Commission or additional payments requests as per the agreed payroll calendar	Remote
11	Run Pay Runs for all active companies as per the agreed payroll schedule. Pay Runs means processing payroll, which includes calculating salaries, deductions and other employee pay related tasks.	Remote
12	Check pay reports and advise Remote of any changes required	Customer
13	Process terminations payments (not including off-cycle payments)	Remote
14	Process manual and off-cycle payment when reasonably required	Remote (Subject to additional charge)
16	Year-end processes such as generating and distributing W-2 forms (or the equivalent in other countries) to disburse to employees summarizing their earnings and tax withholdings (if applicable)	Remote (Subject to additional charge)
17	Bulk changes of data when reasonably required	Remote
18	Run ad hoc reports	Remote (If legally required)
19	Provide payment files so that Customer can disburse the employees net payments	Remote (Subject to additional charge)
20	Disburse employee net payments timely upon receipt of the payment files	Customer
21	Ensure compliance of payroll processing handled by Remote with local regulations-	Remote



Schedule 3: Security Standards

For as long as Remote maintains or otherwise processes personal data in connection with the services, Remote shall endeavor to maintain the security standards detailed in this schedule.

- o compliance with SOC 2 type 1 security standards
- o data encryption in transit,
- o data encryption at rest,
- o architecture network isolation through private networks,
- o fully auditable access and changes,
- o all systems protected by a firewall with security threat detection and prevention mechanisms,
- o least privilege principle limiting systems' access to essential personnel only,
- o all internal tools and systems require SSO,
- o the practice of continuous credentials auditing and management,
- o the conducting of internal security and privacy training,
- o infrastructure-as-code allowing for quick rebuilding and portability,
- o continuous monitoring of applications and infrastructure,
- o regular data backups,
- o applicational logs stored off site and kept for a limited period of time, and
- o the processing involves solely such data that is strictly necessary for business operations.