

# **SUPPLEMENTAL AI PRODUCTS SCHEDULE**

This Supplemental AI Products Schedule is an applicable “**Schedule**” to the Payroll and Human Capital Management Services Agreement (“**PHCMSA**”).

**WHEREAS**, Paycom offers, or may offer, certain AI Products (as defined below) as part of the Services available on Client’s Website Account; and

**WHEREAS**, this Schedule is intended to supplement the Agreement between Client and Paycom, under which this Schedule is incorporated, with respect to such AI Products, and only with respect to the matters specifically set forth herein.

**THEREFORE**, upon the terms and subject to the conditions set forth in this Schedule, and intending to be legally bound, Client and Paycom hereby agree to the following:

## **1. Definitions**

Capitalized words in this Supplemental AI Products Schedule that are not otherwise defined herein shall have the same meaning given in the PHCMSA and the General Terms and Conditions.

“**AI Products**” means features available in Client’s Website Account that incorporate machine learning, deep learning, and/or other artificial intelligence technologies, including statistical learning algorithms, large language models, and neural networks, all software implementations of any of the foregoing, and related hardware capable of generating various types of content (including text, images, video, audio, or computer code) based on user-supplied prompts, and any machine-based system that infers from the inputs the system receives how to generate outputs, including content, decisions, predictions, or recommendations.

“**Applicable AI Laws**” means all laws and regulations that may be applicable to AI Products, Client AI Data, or Client’s implementation and/or use of AI Products and Client AI Data, including, but not limited to, the California Consumer Privacy Act (CCPA), Colorado Artificial Intelligence Act, New York City Local Law 144, the EU Artificial Intelligence Act, and all federal and state anti-discrimination laws such as Title VII of the Civil Rights Act of 1964 (42 U.S.C. 2000e), the Civil Rights Act of 1866 (42 U.S.C. § 1981), the Age Discrimination in Employment Act of 1967, Cal. Gov. Code §12940, and the ADA Amendments Act of 2008 (ADAAA).

“**Client AI Data**” means Client AI Input and Client AI Output in any form or medium, that is submitted, entered, posted, or otherwise transmitted by or on behalf of Client or any of Client’s personnel through the AI Products, and any outputs based thereon or derived therefrom.

“**Client AI Input**” means information, data, materials, text, prompts, Personal Data, images, works, code, or other content that is input, entered, posted, uploaded, submitted, transferred, or otherwise transmitted by or on behalf of Client or any of Client’s personnel to the AI Products.

“**Client AI Output**” means information, data, materials, text, images, code, works, or other content generated by or otherwise output from an AI Product in response to a Client AI Input.

## **2. Provision of AI Products; User Choice**

- 2.1. Paycom may employ AI Products hosted by Paycom as part of the Services for purposes of analyzing and processing Client AI Input, creating Client AI Output and integrating Client AI Data into the Services. Client agrees to permit Paycom’s use of AI Products to provide the Services as outlined in the Agreement and any applicable proposals. To the extent there are any intellectual property rights in the Client AI Data that may be used pursuant to this Schedule, Client grants to Paycom a non-exclusive, perpetual, royalty-free, worldwide license under such rights for as long as they exist for the purpose of providing the AI Products to Paycom clients.
- 2.2. By using a relevant AI Product, certain Client AI Input will constitute or contain Personal Data, depending on the circumstances and the intended use of the AI Product by Client. If Client or Client’s employees or agents choose to provide Personal Data a part of the Client AI Input, Client shall be responsible for providing, as may be applicable, any required notices to, obtain the consents from, establish the legitimate basis for, and provide any other necessary items to applicable data subjects in order to properly use such Personal Data as part of the Client AI Data under Applicable AI Laws.
- 2.3. Subject to the applicable confidentiality requirements of the Agreement, Paycom may at times engage third party service providers to host AI Products that also process Client AI Input to generate Client AI Output and provide Services to Client. Certain AI Products offered by Paycom may transmit Client AI Data to third-party platforms that use third-party artificial intelligence technologies. If Client uses an applicable AI Product hosted by a third-party, Client hereby agrees that Paycom may transmit Client AI Data to such third-party platforms.
- 2.4. For certain types of AI Products, Client AI Data or other Client data transmitted or shared through the Services may be used to train the artificial intelligence technologies and models for purposes of developing, adjusting, and/or improving the AI Products, which

can help Paycom provide better Services, AI Products and Client AI Output. Where applicable, Paycom will perform standard anonymization, aggregation, and de-identification techniques on such data designed to prevent any Personal Data from being used for these training purposes. In the event Client chooses to not permit the training as described in this section 2.4, Client may contact its dedicated specialist to opt-out. An opt-out or other revocation of consent to training uses will apply to Client's data on a move-forward basis, but Client's consent to previously performed training uses before such opt-out or other revocation will continue to survive. Furthermore, as between Paycom and Client, Paycom shall own any and all applicable rights to the trained models and AI Products, and Client hereby transfers and will be deemed to have transferred automatically to Paycom any ownership rights that may exist in Paycom's trained models and AI Products.

- 2.5. Notwithstanding anything in this Agreement to the contrary, unless prohibited by applicable law, Paycom may delete Client AI Data at any time if Paycom determines that Client AI Data violates the terms of the Agreement or that deletion is necessary to comply with applicable law.

### **3. Compliance with Laws and Regulations; Indemnification**

- 3.1 Client shall be solely responsible for complying with all Applicable AI Laws, including provision of any required authorization, notice, consent, disclosure, documentation and other requirements that may be applicable to Client's use, access, set-up or implementation of AI Products. Client shall be solely responsible for ensuring that Client's use of the AI Products does not result in unacceptable bias or algorithmic discrimination. Furthermore, without limiting the foregoing, Client shall not rely on Client AI Output to inform professional advice or decisions related to hiring, employment, taxes, finance or law. If Client intends to use Client AI Output for any reason, it is Client's sole responsibility to verify Client AI Output. With respect to Applicable AI Laws, Client shall be independently responsible for compliance efforts, risk management, impact assessments, internal procedures, interpretation, and monitoring legal developments applicable to the operation of its respective business.
- 3.2 Client is solely responsible for: (i) proper configuration and any use of each AI Product in Client's Website Account, (ii) evaluating (including by human review) Client AI Output for accuracy, completeness, bias, and other factors relevant to Client's business before using or distributing the Client AI Output, (iii) implementing training, gathering consents, and offering mitigation strategies and other controls to prevent Client AI Inputs, Client AI Outputs, or Client's use of AI Products from violating Applicable AI Laws, and (iv) Client's decisions, actions, consequences, and omissions based on Client AI Output and Client's use of AI Products.
- 3.3 In addition to any indemnification obligations set forth in the Agreement, Client shall indemnify, defend, and hold Paycom and its affiliates and their respective employees and agents harmless from any and all liabilities, claims, demands, judgements, losses, damages, and costs (including reasonable attorneys' fees) arising out of or relating to Client failing to properly: (i) comply with Applicable AI Laws, or (ii) gather or honor, as may be applicable, the proper authorizations, transfers of rights, consents, opt-outs, or other requirements related to Client's use of the AI Products and/or Client AI Data, and Paycom's use of Client AI Data or other Client data transmitted or shared through the Services in accordance with Client's instructions in this Schedule.

### **4. Prohibited Uses; Suspension and Termination**

- 4.1 AI Products shall not be used by Client: (i) in violation of the Agreement, (ii) in an unethical or discriminatory manner, (iii) to produce or seek to create harmful content or outcomes, or (iv) used in any manner that is not as intended or designed by Paycom.
- 4.2 For the avoidance of doubt, when providing the AI Products to Client for Client's implementation, use, control, oversight, and decisioning for Client's business, Paycom does not act in an employment agency capacity for Client in any fashion (including as that term may be defined in Title VII of the Civil Rights Act of 1964 and related legislation or amendments), nor does Paycom act as an indirect employer or agent of Client in any hiring capacity or similar. Moreover, no authority to act on the Client's behalf when it comes to hiring, promotion, or other employment decisions has been delegated to Paycom through Client's use of AI Products.
- 4.3 In addition to any termination provisions found in the Agreement, Paycom may, at Paycom's discretion, terminate this Schedule, make AI Products unavailable to Client, and/or remove the AI Products from Client's Website Account if: (i) Paycom reasonably believes that the AI Products are being used in violation of the Agreement or are being used inconsistent with Applicable AI Laws; (ii) the essential tools, models, hardware or other technical solutions that may be used to create or implement the applicable AI Products become non-viable, commercially unavailable or unusable, discontinued or suspended for any reason; or (iii) Paycom reasonably believes that due to changes in Applicable AI Laws or regulatory guidance, the AI Products are no longer legally or economically viable. For the avoidance of doubt, any termination of this Schedule or any unavailability of the AI Products in Client's Website Account for the aforementioned reasons shall be without liability or penalty to Paycom and shall not be considered a breach of this Schedule or the Agreement.