

PAYROLL SERVICES AND DATA PROCESSOR AGREEMENT

SCHEDULE OF SERVICES

This schedule should be read in conjunction with the accompanying engagement letter (which also details the standard terms and conditions).

Recurring compliance work

- 1.1 We will prepare your UK payroll for each payroll period to meet UK employment tax requirements, specifically:
 - Calculating the pay as you earn (PAYE) deductions;
 - Calculating the employees' National Insurance Contributions (NIC) deductions;
 - Calculating the employer's NIC liabilities;
 - Calculating statutory payments, for example, Statutory Sick Pay and/or Statutory Maternity Pay;
 - Calculating employee and employer pension contributions for employees who are members of workplace pension schemes on the basis of the information that you provide to us;
 - Processing any employee and employer pension contribution refunds through the payroll on the basis of information that you provide to us;
 - Calculating other statutory and non statutory deductions
 - Submitting information online to HMRC under RTI for PAYE

- 1.2 We will prepare and send to you (where relevant) the following documents for each payroll period at or before the time of payment:
 - Payroll summary report showing the reconciliation from gross to net for each employee and all relevant payroll totals;
 - The data included within each Full Payment Submission (FPS) for taxable pay and payrolled benefits for each employee;
 - An emailed payslip for each employee unless not required;
 - A P45 for each leaver; and
 - A report showing your PAYE and NIC liability, student loan repayments and due date for payment.
 - A workplace pension contributions report showing any employee and employer pension contributions payable in respect of each employee to the respective workplace pension scheme of which they are members and the due dates for payment and showing any refunds payable to the employee or employer.

- 1.3 We will prepare, where appropriate, for each tax month an EPS from the information and explanations that you provide to us.

- 1.4 We will submit EPSs to HMRC after the data to be included therein has been approved by you.

- 1.5 At the end of the payroll year we will
 - Prepare and send to you form P60 for each employee on the payroll at the year end;
 - Prepare the final FPS (or EPS) including employer annual declarations and submit this to HMRC after the data to be included therein has been approved by you. (The final FPS (or EPS) for the year must reach HMRC by 19 April following the end of the tax year.)

Ad hoc and advisory work

- 2.1 Where you have instructed us to do so, we will also provide such other taxation ad hoc and advisory services as may be agreed between us from time to time. These may be the subject of a separate engagement letter, at our option. Where appropriate we will discuss and agree an additional fee for such work when it is commissioned by you. Examples of such work include:
 - Dealing with any enquiry by HMRC into the payroll returns; and
 - Preparing any amended returns, which may be required and corresponding with HMRC as necessary.

- 2.2 Where specialist advice is required on occasions we may need to seek this from or refer you to appropriate specialists.

Changes in the law

- 3.1 We will not accept responsibility if you act on advice given by us on an earlier occasion without first confirming with us that the advice is still valid in the light of any change in the law or your circumstances.
- 3.2 We will accept no liability for losses arising from changes in the law or the interpretation thereof that are first published after the date on which the advice is given

Your responsibilities

- 4.1 You are legally responsible for:
- (a) Ensuring that the data in your payroll submissions is correct and complete;
 - (b) Making any submissions by the due date; and
 - (c) Making payment of tax and NIC on time.
 - (d) Ensuring your employees have the legal right to work in the UK (www.gov.uk/employing-staff).

Failure to do this may lead to automatic penalties, surcharges and/or interest.

Employers cannot delegate this legal responsibility to others. You agree to check that submissions that we have prepared for you are correct and complete before you approve them.

- 4.2 To enable us to carry out our work you agree:
- (a) That all information required to be delivered online is submitted on the basis of full disclosure;
 - (b) To provide full information necessary for dealing with your payroll affairs: we will rely on the information and documents being true, correct and complete and will not audit the information or those documents;
 - (c) To provide contact details to enable us to provide employee payslips.
 - (d) To agree with us the name[s] of the person[s] authorised by you to notify us of changes in employees, in rates of pay and changes to the employees email addresses or passwords. We will process the changes only if notified by that/those individual[s];
 - (e) To advise us in writing of changes of payroll pay dates;
 - (f) To notify us at least 5 working days prior to the payroll date of all transactions or events which may need to be reflected in the payroll for the period, including details of:
 - all new employees (including full names, address, date of birth, national insurance number,) and details of their remuneration packages;
 - all leavers and details of termination arrangements;
 - all changes to remuneration packages;
 - all pension scheme changes; and
 - any changes to the employees' bank accounts;
 - irregular and/or ad hoc payments and the dates to be paid;
 - (g) To approve:
 - EAS, if required by HMRC, at least 5 working days before the due date as agreed with HMRC;
 - In-year FPS by at least 5 working days prior to payroll pay dates so that they can be submitted on or before payday, or as agreed with us;
 - In-year EPS by at least 5 days prior to 19th of the month following the tax month;
 - Final FPS (or EPS where applicable) for the year at least 5 days prior to 19th April following the end of the tax year: and
 - (h) To authorise us to approach such third parties as may be appropriate for information that we consider necessary to deal with your affairs.
- 4.3 If the information required to complete the payroll services set out above is received later than the dates set out above we will still endeavour to process the payroll to meet the agreed payroll date but we will not be liable for any costs or other losses arising if the payroll is late or the returns are filed late in these circumstances.

DATA PROCESSOR AGREEMENT

We act as a data processor on your behalf when processing your payroll. This agreement re processing of personal data (the "**Data Processor Agreement**") regulates DMC Partnership's (the "**Data Processor**") processing of personal data on behalf of **your business** (the "**Data Controller**") and is part of the letter of engagement in which the parties have agreed the terms for the Data Processor's delivery of services to the Data Controller as set out above and the standard terms and conditions of business in the engagement letter.

Legislation

- 5.1 The Data Processor Agreement shall ensure that the Data Processor complies with the applicable data protection and privacy legislation (the "Applicable Law"), including in particular The **General Data Protection Regulation (GDPR)** (Regulation (EU) 2016/679).

Processing of personal data

- 6.1 **Purpose:** The purpose of the processing under the Letter of Engagement is the provision of the Services by the Data Processor as specified in the Letter of Engagement.
- 6.2 In connection with the Data Processor's delivery of the Main Services to the Data Controller, the Data Processor will process certain categories and types of the Data Controller's personal data on behalf of the Data Controller.
- 6.3 "Personal data" includes "*any information relating to an identified or identifiable natural person*" as defined in GDPR, article 4 (1) (1) (the "Personal Data"). The categories and types of Personal Data processed by the Data Processor on behalf of the Data Controller are listed in sub-appendix A. The Data Processor only performs processing activities that are necessary and relevant to perform the Main Services. The parties shall update sub-appendix A whenever changes occur that necessitates an update.
- 6.4 The Data Processor shall assess the appropriate level of security over the processing activities in accordance with GDPR, article 32 (2).

Instruction

- 7.1 The Data Processor may only act and process the Personal Data in accordance with the documented instruction from the Data Controller (the "Instruction"), unless required by law to act without such instruction. The Instruction at the time of entering into this Data Processor Agreement (DPA) is that the Data Processor may only process the Personal Data with the purpose of delivering the Main Services as described in the Main Letter of Engagement. Subject to the terms of this DPA and with mutual agreement of the parties, the Data Controller may issue additional written instructions consistent with the terms of this Agreement. The Data Controller is responsible for ensuring that all individuals who provide written instructions are authorised to do so.
- 7.2 The Data Controller guarantees to process Personal Data in accordance with the requirements of Data Protection Laws and Regulations. The Data Controller's instructions for the processing of Personal Data shall comply with Applicable Law. The Data Controller will have sole responsibility for the accuracy, quality, and legality of Personal Data and the means by which it was obtained.
- 7.3 The Data Processor will inform the Data Controller of any instruction that it deems to be in violation of Applicable Law and will not execute the instructions until they have been confirmed or modified.

The Data Processor's obligations

8.1 Confidentiality

- 8.1.1 The Data Processor shall treat all the Personal Data as strictly confidential information. The Personal Data may not be copied, transferred or otherwise processed in conflict with the Instruction, unless the Data Controller in writing has agreed.
- 8.1.2 The Data Processor's employees shall be subject to an obligation of confidentiality that ensures that the employees shall treat all the Personal Data under this DPA with strict confidentiality.
- 8.1.3 Personal Data will only be made available to personnel that require access to such Personal Data for the delivery of the Letter of Engagement and this Data Processor Agreement.
- 8.2 The Data Processor shall also ensure that employees processing the Personal Data only process the Personal Data in accordance with the Instruction.

8.3 Security

8.3.1 The Data Processor shall implement the appropriate technical and organizational measures as set out in this Agreement and in the Applicable Law, including in accordance with GDPR, article 32. The security measures are subject to technical progress and development. The Data Processor may update or modify the security measures from time-to-time provided that such updates and modifications do not result in the degradation of the overall security.

8.4 The Data Processor shall provide documentation for the Data Processor's security measures if requested by the Data Controller in writing.

8.5 Data protection impact assessments and prior consultation

8.5.1 If the Data Processor's assistance is necessary and relevant, the Data Processor shall assist the Data Controller in preparing data protection impact assessments in accordance with GDPR, article 35, along with any prior consultation in accordance with GDPR, article 36.

8.6 Rights of the data subjects

8.6.1 If the Data Controller receives a request from a data subject for the exercise of the data subject's rights under the Applicable Law and the correct and legitimate reply to such a request necessitates the Data Processor's assistance, the Data Processor shall assist the Data Controller by providing the necessary information and documentation. The Data Processor shall be given reasonable time to assist the Data Controller with such requests in accordance with the Applicable Law.

8.6.2 If the Data Processor receives a request from a data subject for the exercise of the data subject's rights under the Applicable Law and such request is related to the Personal Data of the Data Controller, the Data Processor must immediately forward the request to the Data Controller and must refrain from responding to the person directly.

8.7 Personal Data Breaches

8.7.1 The Data Processor shall give immediate notice to the Data Controller if a breach occurs, that can lead to the accidental or unlawful destruction, loss, alteration, unauthorized disclosure of or access to, personal data transmitted, stored or otherwise processed re the Personal Data processed on behalf of the Data Controller (a "Personal Data Breach").

8.7.2 The Data Processor shall make reasonable efforts to identify the cause of such a breach and take those steps as they deem necessary to establish the cause, and to prevent such a breach from reoccurring.

8.8 Documentation of compliance and Audit Rights

8.8.1 Upon request by a Data Controller, the Data Processor shall make available to the Data Controller all relevant information necessary to demonstrate compliance with this DPA, and shall allow for and reasonably cooperate with audits, including inspections by the Data Controller or an auditor mandated by the Data Controller. The Data Controller shall give notice of any audit or document inspection to be conducted and shall make reasonable endeavours to avoid causing damage or disruption to the Data Processors premises, equipment and business in the course of such an audit or inspection. Any audit or document inspection shall be carried out with reasonable prior written notice of no less than 30 days, and shall not be conducted more than once a year.

8.8.2 The Data Controller may be requested to sign a non-disclosure agreement reasonably acceptable to the Data Processor before being furnished with the above.

8.9 Data Transfers

8.9.2 Ordinarily, the Data Processor will not transfer your data to countries outside the European Economic Area. In some cases, personal data will be saved on storage solutions that have servers outside the European Economic Area (EEA), [for example, Sage, Dropbox or Google]. Only those storage solutions that provide secure services with adequate relevant safeguards will be employed.

Sub-Processors

- 9.1 The Data Processor is given general authorisation to engage third-parties to process the Personal Data (“Sub-Processors”) without obtaining any further written, specific authorization from the Data Controller, provided that the Data Processor notifies the Data Controller in writing about the identity of a potential Sub-Processor (and its processors, if any) before any agreements are made with the relevant Sub-Processors and before the relevant Sub-Processor processes any of the Personal Data. If the Data Controller wishes to object to the relevant Sub- Processor, the Data Controller shall give notice hereof in writing within ten (10) business days from receiving the notification from the Data Processor. Absence of any objections from the Data Controller shall be deemed a consent to the relevant Sub-Processor.
- 9.2 The Data Processor shall on an ongoing basis monitor its Sub- Processors’ compliance with the Applicable Law. Documentation of such monitoring shall be provided to the Data Controller if so requested in writing.
- 9.3 The Data Processor is at the time of entering into this Data Processor Agreement using the Sub- Processors listed in sub-appendix B. If the Data Processor initiates sub-processing with a new Sub-Processor, such new Sub-Processor shall be added to the list in sub-appendix B under paragraph 2.

Limitation of Liability

- 10.1 The total aggregate liability to the Client, of whatever nature, whether in contract, tort or otherwise, of DMC Partnership Ltd for any losses whatsoever and howsoever caused arising from or in any way connected with this engagement shall be subject to the “Limitation of Liability” clause set out in the Letter of Engagement.
- 10.2 Nothing in this DPA will relieve the processor of its own direct responsibilities and liabilities under the GDPR.

Duration

- 11.1 The Data Processor Agreement shall remain in force until the Letter of Engagement is terminated.

Termination

- 12.1 Following expiration or termination of the Agreement, the Data Processor will delete or return to the Data Controller all Personal Data in its possession as provided in the Agreement except to the extent the Data Processor is required by Applicable law to retain some or all of the Personal Data (in which case the Data Processor will archive the data and implement reasonable measures to prevent the Personal Data from any further processing). The terms of this DPA will continue to apply to such Personal Data.

Contact

- 13.1 The contact information for any Data Processing issues is the contact provided in the Letter of Engagement.

Agreement

We agree to the terms of this Data Processor Agreement

(On behalf of DMC Partnership Ltd) _____ Date

(On behalf of ??????????????????) _____ Date

Sub-appendix A

1. Personal Data

1.1 The Data Processor processes the following types of Personal Data in connection with its delivery of the Main Services: Information on relevant employees from the Data Controller relevant for the processing of payroll. Namely:

1. Name, postal address and email address
2. NI number
3. HMRC information
4. Bank account details
5. Pension details
6. Proof of identity
7. Leave records
8. Contract of employment and HR details
9. Next of kin details
10. Date of birth
11. Marital status

2. Categories of data subjects

2.1 The Data Processor processes personal data about the following categories of data subjects on behalf of the Client: Employees of the Data Controller

Sub-appendix B

1. Approved sub-processors

1.1 The following Sub-Processors shall be considered approved by the Data Controller at the time of entering into this Agreement:

- i. Payroll Software Provider: Sage UK, North Park, Newcastle upon Tyne, NE13 9AA
- ii. Payroll Software Provider: BrightPay, 3 Shortlands, Hammersmith, London, W6 8DA