

AGREEMENT

BETWEEN: _____
(hereinafter referred to as «**A**»)

AND: _____
(hereinafter referred to as the «**Client**»)

(hereinafter collectively referred to as the «**Parties**»)

WHEREAS A is a business providing Payroll services and a «**Paytrak**» concept franchisee;
WHEREAS, as part of its payroll services, payments are made at **A's** direction to a **Trust** (hereinafter referred to as the «**Trust**») established by PayTrak Payroll Services Ltd.;
WHEREAS the **Trust** is entitled to invest monies on deposit in the **Trust** and the obligations of the **Trust** are to safeguard the principal, to maintain the liquidity and to generate a competitive rate of return consistent with a conservative investment approach.

NOW THEREFORE, THIS AGREEMENT WITNESSETH THAT IN CONSIDERATION OF THE MUTUAL PROMISES, COVENANTS AND AGREEMENTS HEREIN CONTAINED, THE PARTIES AGREE AS FOLLOWS:

Preamble

1. The preamble is destined to be an integral part of this Agreement.

Payroll Services

2. **A** shall give the **Client** all the related services to the processing of the payroll of the **Client** in accordance with the timing schedule agreed upon from time to time;
3. At least 5 days before the first payroll date, the **Client** shall forward to **A**, all the necessary information needed to provide the payroll services;
4. The **Client** shall advise **A** of any error, omission or irregularity in the preliminary report within 2 days of its reception;
5. The **Client** undertakes to advise **A** promptly of any changes in the information;
6. The **Client** acknowledges that it is solely responsible for the accuracy and completeness of all information supplied to **A**;
7. Any modification concerning any employee's information which is to be processed in the current payroll date, is to be received by **A** at least 4 days before the payroll date agreed upon by the **Parties**;
8. The payment to the employees shall be executed in accordance with the frequency agreed upon between the **Parties**;

Debit Authorization

9. The **Client** hereby agrees to sign in favor of the **Trust** upon the signature of the present Agreement, an authorization to transfer the payroll funds from the **Client's** bank account to the **Trust** in accordance with the frequency agreed upon by the **Parties**;
10. The payroll funds provided to the **Trust** shall be for the full amount of all payments to be made including the statutory and contractual remittances and the services fees and applicable taxes;

Remittances

11. **A** shall be responsible for the withholding and the remitting of the employee's statutory and contractual remittances in accordance with the frequency established by the governmental authorities or the applicable law being:
Federal Income Tax; Provincial Income Tax; CPP/QPP contributions; Employment Insurance Premiums; and Health Services/FSS;
12. The **Client** acknowledges that **A** shall have no obligation to remit the client's statutory or contractual remittance funds until **A** has received cleared funds from the **Client's** bank;

Reports

13. A shall forward to the **Client** the following reports within 2 days of each payroll date:
- An income statement for each employee indicating the salary, the remittances, the net salary and the option chosen by the employee for direct deposit or payment by cheque;
14. A shall forward to the **Client** upon the frequency established by them, a series of standard reports with regard to the administration and processing of the payroll;
15. All other reports required by the **Client** from time to time, shall be provided and invoiced separately;
16. On or before February 28th of each year, A shall forward to the **Client** the Federal forms T4, T4A, and the Provincial forms RL-1 with the summaries of the each payroll process executed in the previous fiscal year;

Fees

17. The **Client** hereby authorizes A to collect the fees agreed upon directly from the **Client's** bank account as stipulated in paragraph 9 of this Agreement;
18. A shall give the **Client** a 30 day written notice of its intention to modify the fees;

Indemnification

19. The **Client** undertakes to indemnify and to hold harmless A for any claim, loss, damage or responsibility which the latter may incur or suffer, except for any gross negligence caused by A's employees, including, without limiting the generality of the foregoing:
- Incorrect information supplied by the **Client**,
 - failure of the **Client** to notify A of any irregularities, omissions, errors or changes to the payroll information in accordance with paragraph 4 and 5 above mentioned.

Relations between the parties

20. This Agreement does not constitute A to be the agent, legal representative, mandatory, associate or employee of the **Client**; the **Parties** hereby agree that A is an independent contracting **Party** and A is not authorized in any way to engage any obligation for the **Client's** benefit;

Termination

21. The present Agreement may be terminated by either **Party** giving a 30 day notice in writing;
22. The present Agreement shall terminate upon any of the following events:
- if the payroll funds are not sufficient to pay the net salary, the remittances and the fees within the 24 hours following the reception of a written notice;
 - if the **Client** is declared bankrupt or if any guardian, depository or trustee is appointed as trustee of the property of the **Client**;
23. In any events, the **Client** shall have the obligation to pay all debts owed to A with regard to the present Agreement;

General provisions

24. The **Parties** undertake to sign all required documents within the framework of the Agreement;
25. Any notice intended for any **Party** is deemed to be validly given if it is done in writing and sent by registered or certified mail, by hand or by bailiff to such **Party's** address as stated in this Agreement or to any other address that the concerned **Party** may have notified in writing to the other **Party**;
26. Any notice given by mail shall be deemed to have been received three (3) days after the time it is posted;
27. If any section, paragraph or provision in this Agreement is held invalid or unenforceable, it shall not, in any way, have any effect on any other section, paragraph or provision in this Agreement or on the remaining section, paragraph or provision unless otherwise clearly provided for under this Agreement;
28. This Agreement shall be binding upon and inure to the benefit of each of the **Parties** and their respective successors, heirs and assigns;
29. All the monies payable shall be in Canadian funds;
30. The **Client** hereby declares that they have received all the reasonable explanations and that they understand each and every undertaking and obligation contained herewith.

SIGNED AT _____, PROVINCE OF _____, CANADA, ON THE ___ DAY OF _____.

A

THE CLIENT

Per: _____

Per: _____