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|---------------------------------------------------------------------------------------------------------------|--|---------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------|
| <b>Amendment No.</b><br><u>5</u>                                                                              |  | Organization and Address<br><br>Arthur J. Gallagher & Co.<br>777 108th AVE NE, Ste 200<br>Bellevue, WA 98004                                                  |                        |
| Original Agreement Number<br>9763                                                                             |  | Phone:                                                                                                                                                        |                        |
| Project Number<br>N/A                                                                                         |  | Execution Date<br>1/20/2026                                                                                                                                   | Completion Date<br>N/A |
| Project Title<br>Payroll Procedural and System Optimization Audit Services<br>Managed Payroll Backup Services |  | New Maximum Amount Payable<br>Add \$160,200 for a total estimated maximum amount payable of \$562,825, hourly consumable service based on actual hours worked |                        |
| Description of Work<br>Payroll and HR Technology consulting services                                          |  |                                                                                                                                                               |                        |

The Local Agency of City of Redmond  
 desires to amend the agreement entered into with Arthur J. Gallagher & Co.  
 and executed on 10/1/2021 and identified as Agreement No. 9763 (the "Agreement"). All provisions  
 in the Agreement remain in effect except as expressly modified by this amendment. The changes to the Agreement as  
 set forth in the attached Exhibits A and B are by this reference made a part thereof and are described as follows:

**I**

- Exhibit A, SCOPE OF WORK and PAYMENT SCHEDULE, is hereby changed to add  
 the following Services described in Project #1 and Project #2 below and the  
 corresponding Fees therefor:

See Statement of Work for the following projects outlined within Exhibit A:

- Project #1: Payroll Procedural and System Optimization Audit Services.
- Project #2: Managed Payroll Backup Services.

- Exhibit B -Data & Information Security Agreement is hereby added to the Agreement.

If you concur with this amendment and agree to the changes as stated above, please sign in the appropriate spaces below  
 and return to this office for final action.

By: \_\_\_\_\_

By: \_\_\_\_\_

\_\_\_\_\_  
 Consultant Signature

\_\_\_\_\_  
 Approving Authority Signature

\_\_\_\_\_  
 Date

## EXHIBIT A

### Statement of Work

This **Statement of Work** (“**SOW**”) is entered into on December 18, 2025 (the “**Effective Date**”) pursuant to the terms and conditions of the Master Agreement for Professional Services dated 10/01/2021 (the “**Agreement**”), by and between **Gallagher Benefit Services, Inc.** (“**Gallagher**”) and The City of Redmond (“**Client**”). Capitalized terms used herein and not otherwise defined in this SOW shall have the same meaning ascribed to the in the Agreement.

|                   |                                                           |
|-------------------|-----------------------------------------------------------|
| <b>Project #1</b> | Payroll Procedural and System Optimization Audit Services |
|-------------------|-----------------------------------------------------------|

#### 1. Scope of Services:

The Services under this Amendment 4 shall consist exclusively of the following

|                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
|--------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Scope of Services</b> | <p>Gallagher will conduct a full audit of the Client's internal payroll processes, controls, technology and procedures to assess effectiveness, efficiency, and completeness of current practices while identifying areas for enhancement and / or improvement.</p> <p>An initial intake with the Client will define the audit's goals, objectives, and timelines, resulting in a comprehensive project plan.</p> <p>Through a combination of interviews with key stakeholders and a review of any existing Client payroll procedural documentation and configuration, Gallagher will compile information necessary to conduct the audit. The areas to be reviewed and assessed may include (but are not limited to):</p> <ul style="list-style-type: none"> <li>• New hire payroll onboarding processes.</li> <li>• Full payroll lifecycle procedures, including: <ul style="list-style-type: none"> <li>○ Adds.</li> <li>○ Terminations.</li> <li>○ Changes.</li> <li>○ Rate changes.</li> <li>○ Entries of additional compensation (i.e. bonuses and commissions).</li> <li>○ Sign-off procedures.</li> <li>○ System checks and balances.</li> </ul> </li> <li>• Company and employee level coding procedures.</li> <li>• Time &amp; attendance configuration and utilization.</li> <li>• Workflow and approval processes.</li> <li>• Utilization of automated vs. manual systems.</li> <li>• Payroll data / information storage practices.</li> <li>• Current payroll forms and collection processes.</li> <li>• Custom field utilization.</li> </ul> |
|--------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

Automated and manual payroll entry processes and procedures, including:

- Pay data and grid usage.
- Non-exempt employee entry.
- Payroll information collection practices.
- Usage of forms and other paperwork.
- Payroll processing times.
- System override and manual intervention practices.
- Reporting requirements including union specific.
- Payroll review and reconciliation procedures, including a review of post-payroll manual reports vs. automated system generated reporting.
- Integration setups across HR and Payroll technologies and platforms, including PTO, Time and Attendance, HRIS, etc.
- Document storage methodologies and practices.
- Means by which employee's access and / or are provided with payroll related data.
- Data entry and employee information maintenance methodologies, including use of the system's new hire onboarding functions.

Upon completion of the audit, Gallagher will provide both a verbal presentation and written report outlining findings and recommendations to improve the Client's payroll processing function, including recommendations for client's future state technology platform.

## 2. Client Team:

|                               |              |
|-------------------------------|--------------|
| <b>Client Project Manager</b> | Kseniya Daly |
|-------------------------------|--------------|

## 3. Key Assumptions:

|                        |                                                                                                                                                                                                                  |
|------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Resource Level</b>  | Payroll & HR Technology Manager                                                                                                                                                                                  |
| <b>Estimated Hours</b> | 130 - 145 hours                                                                                                                                                                                                  |
| <b>Initial Budget</b>  | \$29,250 - \$32,625<br><br>*This budget is an estimate of the time and resources needed for the scope of services. Gallagher will invoice for actual time incurred, <i>which may vary based on Client needs.</i> |

## 4. Fees.

|                        |                                                                                       |
|------------------------|---------------------------------------------------------------------------------------|
| <b>Invoicing Terms</b> | Gallagher shall invoice Client in arrears weekly for time expended in the prior week. |
|------------------------|---------------------------------------------------------------------------------------|

| Resource Level                     | Rate Per Hour |
|------------------------------------|---------------|
| Payroll & HR Technology Specialist | \$150         |

|                                           |       |
|-------------------------------------------|-------|
| Sr. Payroll & HR Technology Specialist    | \$185 |
| Payroll Tax Compliance Specialist         | \$180 |
| Payroll & HR Technology Manager           | \$225 |
| Payroll Tax Compliance Manager            | \$225 |
| Project Leader - Payroll & HR Technology  | \$265 |
| Practice Leader - Payroll & HR Technology | \$365 |

## 5. Termination.

|                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
|--------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Maintain Hours;<br/>SOW Termination</b> | Except as provided in the Agreement, either Party may terminate this SOW for convenience upon sixty (60) days' advance written notice to the other Party (the " <b>Notice Period</b> "). During the Notice Period, Client agrees to pay Gallagher a lump sum, equal to the length of the Notice Period based on the same level of work performed by Gallagher prior to receiving Client's written notice. The "same level of work" will be defined by the prior 12-week average from the date of notification. If Gallagher did not work a full twelve (12) weeks, Gallagher will average the weeks that Gallagher actually performed the Services. During the Notice Period, Gallagher will continue to provide Services, if desired by Client, and Client agrees to pay the cost for Services that exceed the lump sum amount. |
|--------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

|                   |                                 |
|-------------------|---------------------------------|
| <b>Project #2</b> | Managed Payroll Backup Services |
|-------------------|---------------------------------|

## 1. Scope of Services:

The Services shall consist exclusively of the following

|                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|--------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Scope of Services</b> | <p>Consultant will provide the Client with contingent Payroll support on an as needed basis, utilizing the Client's current technology vendor. Consultant will fully manage and administer the Client's payroll for approximately 800 employees and one (1) entity on dates designated by the Client. This may include (but is not limited to) the following support:</p> <p><b>Phase I – Managed Payroll Backup Services Onboarding</b></p> <p>Consultant will perform a full and comprehensive Client onboarding with the goal of documenting information in the form of SOPs needed to provide comprehensive and complete support. This one-time intake and set up may include (but is not limited to) the following areas:</p> <ul style="list-style-type: none"> <li>• Payroll technology, administration, and 3rd party solutions access.</li> <li>• Detailed and thorough review of the Client's payroll technology system.</li> <li>• Collection of critical data tied to the Client's payroll management.</li> <li>• Review of Payroll processes and documentation employed by the Client.</li> <li>• Reconciliation of prior quarters within the year of service start date.</li> <li>• Creation/update of new payroll instructions, tools, and other documentation as needed and directed by the Client.</li> </ul> |
|--------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

The above information will be documented by Consultant and will be used as a guide for our team, both today and in the future. Onboarding will occur at the time of signature with Phase II being utilized on an as needed basis by the Client.

#### Phase II – Ongoing Managed Payroll Backup Services

- Full administration, processing, and submission of the Client's payroll.
- Liaison support between the Client and payroll technology vendor.
- Coordination with Client to gather all relevant payroll information.
- New employee set up and terminations.
- Change of status updates and garnishments.
- Maintenance of any direct vendor feeds / integrations.
- 401k / FSA vendor information uploads.
- Creation of custom reports.
- Updates to fields for rate changes, taxes, banking, etc.
- Manual check calculations.
- Compliance review to ensure payroll practices are in concert with any changing federal, state, or local laws.
- Review and research tied to tax notices.
- Off-cycle payroll transmissions (i.e., bonus payrolls).
- Union reporting.
- Review of quarterly tax reports, including validation of tax filings.
- W-2 review and reconciliation at year-end.

Services provided by the Consultant will be driven by the Client's precise needs and can be utilized for one off or ad hoc requests including for reporting or audit needs.

#### 2. Client Team:

|                               |              |
|-------------------------------|--------------|
| <b>Client Project Manager</b> | Kseniya Daly |
|-------------------------------|--------------|

#### 3. Key Assumptions:

|                         |                                                                                                                                                                                                                                                                                                                                                |
|-------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Resource Level</b>   | Sr. Payroll & HR Technology Specialist and Payroll & HR Technology Manager                                                                                                                                                                                                                                                                     |
| <b>Estimated Hours</b>  | 65 – 70 hours per pay period                                                                                                                                                                                                                                                                                                                   |
| <b>Initial Budget*:</b> | <ul style="list-style-type: none"> <li>• Initial One-Time only Onboarding Fee: \$10,000</li> <li>• \$12,425 - \$13,350 per pay period</li> </ul> <p>*This budget is an estimate of the time and resources needed for the scope of services. Consultant will invoice for actual time incurred, <i>which may vary based on Client needs.</i></p> |

#### 4. Fees.

|                        |                                                                                                                                                                                         |
|------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Invoicing Terms</b> | Onboarding Fee of \$10,000 to be billed upon the full execution of Amendment 4 to the Agreement. Consultant shall invoice Client in arrears weekly for time expended in the prior week. |
|------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

| Resource Level                            | Rate Per Hour |
|-------------------------------------------|---------------|
| Payroll & HR Technology Specialist        | \$150         |
| Sr. Payroll & HR Technology Specialist    | \$185         |
| Payroll Tax Compliance Specialist         | \$180         |
| Payroll & HR Technology Manager           | \$225         |
| Payroll Tax Compliance Manager            | \$225         |
| Project Leader - Payroll & HR Technology  | \$265         |
| Practice Leader - Payroll & HR Technology | \$365         |

## 5. Termination.

|                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
|--------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Maintain Hours;<br/>SOW Termination</b> | Except as provided in the MSA in Section 12, either party may terminate this project upon ninety (90) days' advance written notice (the " <b>Termination Period</b> "). During the Termination Period, Client agrees to pay Consultant a lump sum, based on the same level of work performed by Consultant prior to receiving Client's written notice. The same level of work will be defined by the prior 12-week average from the date of notification. If Consultant did not work a full 12 weeks, Consultant will average the weeks that Consultant actually performed Services. During the Termination Period, Consultant will continue to provide Services, if desired by Client, and Client agrees to pay the cost for Services that exceed the lump sum amount. |
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## 6. Additional Terms and Conditions.

a. All invoices shall be due and owing in accordance with the terms of the Agreement.

b. Gallagher shall invoice Client, and Client shall pay, one-and-one-half (1.5) the applicable hourly bill rate for individuals whose hours (including any travel time) exceed forty (40) hours in a work week.

c. In the event Client requests or requires Gallagher's participation or support in relation to any legal complaints, actions, or matters including, but not limited to, all tribunals and those matters related to Chief Human Resources Officer (CHRO) or any Equal Employment Opportunity Commission (EEOC) matters, including, without limitation, investigations, additional fees for such participation or support shall be invoiced by Gallagher and paid by Client at Gallagher's then-prevailing hourly rates in accordance with the terms of the Agreement.

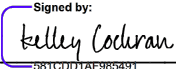
**7. Suspension.** If fees specified in Section 4 (Fees) for work in progress and expenses incurred by Gallagher are not paid to Gallagher within thirty (30) days of invoice receipt date, Gallagher may, in its sole discretion, suspend performance of the work or terminate this SOW for cause pursuant to the terms of the Agreement. Client's failure to pay such fees and expenses shall not relieve Client of its payment or other obligations.

**8. Non-Solicitation.** Client acknowledges that Gallagher goes through an extensive process in the sourcing and development of its consulting team, including vetting candidates for hire, comprehensive on-boarding and training programs, and our ongoing commitment to cultivation of their talents. Our personnel are bound by restrictions against accepting employment with our clients during their employment and for one year thereafter. The hiring away of our personnel by our clients represents a significant loss of our human capital investment, as well as a measurable financial impact to Gallagher. As such, it is never the desire of Gallagher to have any team member hired away by a client. Except as prohibited by local law or regulation, Client agrees that during the term of this Agreement and for a period of one (1) year following the date of termination, Client shall not hire any personnel of Gallagher. In the event Gallagher agrees to release personnel from their legal obligations to our firm, the cost to convert a team member to Client's employment shall be a fee of 50% of the personnel's first year's compensation. For purposes of this section "to hire" means to hire as an employee or otherwise to engage or retain as an independent contractor or consultant.

**9. Excused Non-Performance:** Gallagher’s performance is dependent upon Client’s effective performance of any Client responsibilities herein. Gallagher will be excused from performance in the event Client is unable to perform such responsibilities and such inability contributes to Gallagher’s failure to perform.

The terms and conditions contained in this SOW constitute the Parties’ complete understanding and agreement relating to the subject matter hereof. Notwithstanding anything to the contrary in the Agreement or elsewhere, in the event of a conflict between this SOW and the Agreement, the SOW will control. No other terms and conditions, beyond those contained herein, will be valid unless mutually agreed to by Client and Gallagher in a writing signed by authorized representatives of each Party.

**Client: The City of Redmond**

By:   
Signed by: 581CDD1AF989491...

Name: Kelley Cochran

Title: Finance Director

Date: 12/19/25

Address: 15670 NE 85th St, Redmond, WA 98052

**Gallagher Benefit Services, Inc.**

By:   
Signed by: DEEB012C6160453...

Name: Todd

Title: Miller

Date: 12/19/2025

Address: 383 Main Avenue, 4th Floor  
Norwalk, CT 06851

**Exhibit B****Data & Information Security Agreement**

**1. Data Safeguards and Standards.** Gallagher is solely responsible for any authorized or unauthorized collection, storage, disclosure and use of, and access to Client's Data or Client's Confidential Information in its possession or in the possession of its service providers, contractors, or agents. Accordingly, if Gallagher or any of its service providers, contractors, third-parties or agents has access to Client's Data or Client's Confidential Information, Gallagher shall implement and maintain, or ensure that its service providers, contractors, third-parties or agents implement and maintain, administrative, physical and technical safeguards ("**Safeguards**") that prevent any collection, use or disclosure of, or access to, Client's Data and/or Client's Confidential Information that this Agreement does not expressly authorize, including, without limitation, an information security program that meets best industry practice to safeguard such Client's Data and/or Client's Confidential Information. Gallagher shall strictly maintain the confidentiality, integrity, and availability of information and supporting information systems to sustain client confidentiality, accurately process transactions and financial reporting, and comply with all legal and regulatory requirements.

**(a) Information Security Program.** Gallagher's information security program shall include:

- adequate physical security of all premises in which Client's Data and/or Client's Confidential Information will be processed and/or stored;
- reasonable precautions taken with respect to the employment of and access given to all personnel furnished or engaged, directly or indirectly, by Gallagher to perform any part of the services hereunder; and
- an appropriate network security program, including encryption or other secure form approved in advance by Client, of any Client's Confidential Information, or any other Client's Data that is collected, processed, transmitted, stored, accessed, processed or maintained by Gallagher or its service providers, contractors, third-parties or agents on its or their networks, systems, and premises (collectively, the "**Gallagher System**").

**(b) Network Security Program.** Gallagher's network security program shall include (without limitation) the following:

- appropriate access controls and data integrity controls, including without limitation, ensuring that: (i) authentication credentials have an expiration period that allows time for the transfer of data, but are not continuously left open; (ii) password complexity standards are implemented to protect Client's Data and/or Client's Confidential Information from malicious access; and (iii) a process is implemented to log individual access to Client's Data and/or Client's Confidential Information;
- testing and auditing of all controls; and
- appropriate corrective action and incident response plans. Gallagher must maintain an acceptable level of security certification or assessment by a qualified third party. Such certifications applicable to the Gallagher System shall be provided as described in Section (3) below to Client as reasonably requested, provided the requisite non-disclosure agreement has been executed by Client.

**(c) Security Policies.** Gallagher shall develop and maintain defined security policies in place for user administration, administrator accounts, physical security, network security, and electronic media handling. These policies shall be evaluated annually and modified as necessary. On an annual basis, Gallagher is audited for Sarbanes Oxley compliance, the results of which are available in Gallagher's annual 10-K report on the AJG website at <http://www.ajg.com>, under Investor Relations > SEC Filings. The internal and external network architecture for each local office is documented and approved by the Division CIO or designee quarterly. All Gallagher networks are monitored for unauthorized activity. Malicious or suspicious activity is reported according to internal Gallagher Policies and corresponding legislative requirements.

- (d) HIPAA. As a Business Associate under HIPAA regulations, Gallagher shall maintain HIPAA compliance protocols throughout its organization. Gallagher shall maintain HIPAA officers on staff in each region, as well as at the corporate level. These officers and their staff shall conduct internal compliance audits and enforce adherence to applicable regulations. Gallagher shall ensure strict adherence its policies and HIPAA requirements and shall mandate that any transmission of Personal Health Information, Personal Financial Information, or any other personal identifying information is encrypted and/or transferred via secure data site or means.
- (e) Client Records Management Protocol. To ensure that Gallagher's infrastructure complies with all applicable state, federal, and industry regulations, Gallagher has implemented and shall maintain policies outlining system controls over governance, security administration, data backup, change control, problem management, and system development within the IT environment at Gallagher. Consistent policies are enforced to preserve the integrity and security of all data processed, stored, and transmitted throughout its information systems. This includes the use of encryption technology to both store and transmit information when appropriate. Gallagher will follow the principle of least privilege when granting access to company resources.
- (f) Document Management System. Gallagher maintains a robust set of standards for its client management process. This process includes the accurate logging and tracking of all documents and communications through its Document Management System (DMS). The DMS ensures that schedules are followed, HIPAA standards are met, and team assignments as well as collaboration efforts are clearly stated. Gallagher commits to the same day return of client phone calls, as well as providing clients access to its consultant's cell phones to ensure urgent matters are addressed promptly.
- (g) FAIR Risk Assessment. Gallagher's Global IT Policies and Standards includes requirements for conducting annual Factor Analysis of Information Risk (FAIR) by an external party. The assessment activities are based on the FAIR methodology, a quantitative model for information security and operational risk. The assessment builds upon technology and cyber risk assessments from previous years and includes the following activities: Identification of New Assets and Threats, Quantitative Risk Analysis, and Assessment Results and Report.

## 2. Security Breach.

- (a) Notice. Upon confirmation of an identified security breach, Gallagher will promptly notify Client of:
- any actual breach of security of the Gallagher Systems;
  - any actual unauthorized access to or acquisition, use, loss, destruction, alteration, compromise or disclosure of any Client's Data or Client's Confidential Information on Gallagher Systems; or
  - any circumstance pursuant to which applicable law requires notification of such breach to be given to affected parties or other activity in response to such circumstance (each, a "**Security Breach**").

Notwithstanding the foregoing, to the extent not prohibited by applicable law, Client shall make the final decision on notifying Client customers, users, employees, service vendors and/or the general public of such Security Breach. If a notification to Client's customers or users is required under any applicable law, guidelines or best practice, then in addition to all other costs arising out of or in connection with such Security Breach, and without prejudice to all other rights and remedies available to Client under this Agreement, at law or in equity, Gallagher shall reimburse Client for all reasonable notification related costs and other expenses incurred by Client arising out of or in connection with any such Security Breach. For the avoidance of doubt, Gallagher shall not be required to notify Customer of any unsuccessful attempts or activities that do not compromise the security of Customer's sensitive data, including unsuccessful log-in attempts, pings, port scans, denial of service attacks, and other network attacks on firewalls or networked systems.

(b) **Corrective Measures.** In the event of a Security Breach, Gallagher shall: (i) promptly provide to Client a summary description of the incident, the Client's Data and/or Client's Confidential Information accessed, the identity of affected third parties, if any, and such other information as Client may request concerning the Security Breach; (ii) assist Client in investigating, remedying and taking any other action Client deems necessary regarding any Security Breach and any dispute, inquiry or claim that concerns the Security Breach; (iii) shall take prompt actions that such Security Breach or potential Security Breach will not recur; and (iv) cooperate with Client and any law enforcement or regulatory official investigating such Security Breach.

### 3. **Certifications & Documentation.**

(a) **SOC 2 Type 2.** Client may request a copy of Gallagher's annual SOC2 report, or its equivalent, upon signing a requisite non-disclosure agreement. Client agrees that all information or reports shared with Client by Gallagher shall be considered Gallagher Confidential Information and shall not be disclosed by Client to any third-party (including Client's independent auditors) without Gallagher's prior written approval. Gallagher will bear all costs and expenses associated with obtaining and delivering the SOC 2 report or its equivalent.

(b) **Standard Information Gathering (SIG) Lite.** Upon request, Gallagher will provide Client a copy of its updated *Standard Information Gathering (SIG) Lite* document upon Client signing a non-disclosure agreement, and Gallagher is also able to provide Client with the following:

- Security Assurance Reference (SAR) Guide.docx;
- NYDFS Compliance Letter;
- AJG IT Policy TOC;
- Gallagher Global Cybersecurity Services Overview document; and
- Gallagher Cyber Risk Assessment Letter.

4. **Third-party Providers.** Client understands that Client Data may reside with a third-party data center provider subcontracted by Gallagher, and to the extent Client wishes to obtain equivalent type reports from such third-party provider, Client must make the necessary request directly from the third-party provider, as such reports would be considered third-party confidential information Gallagher is not permitted to provide to Client. In addition, core partners used within Gallagher's infrastructure include Microsoft, IBM, Cisco, and HP.

The following certifications are in place for Gallagher's third-party data center provider, CenterSquare Investment Management, LLC (formerly Cyxtera).

- SOC 1 Type 2;
- SOC 2 Type 2;
- NIST; and
- ISO 27001.

Client may access CenterSquare's certifications and reports available at [www.centersquare.com](http://www.centersquare.com).

5. **Right to Terminate.** Gallagher acknowledges that Client shall have the right to terminate this Agreement immediately, without further payment to Gallagher, and without prejudice to Client's rights and remedies under this agreement, in the event that Gallagher uses or permits the use of Client's Data or Client's Confidential Information other than as permitted in connection with the performance of the services under this Agreement, or if there is otherwise a breach in any Client's Data or Client's Confidential Information.

6. **Effect of Termination.** Gallagher will, for a minimum period of sixty (60) days following the termination of this Agreement, maintain Client's Data and Client's Confidential Information that is residing on its servers as of the date of termination. Upon the written request of Client as permitted herein, Gallagher will as soon as is reasonably practicable, return a copy of Client's Data and Client's Confidential Information in a manner

determined by Client. Gallagher will also delete all Client production environments from Gallagher servers and verify such deletion in writing to Client. However, Gallagher may retain a copy of the Confidential Information which forms part of its work product to demonstrate compliance with this agreement and Gallagher shall not be required to erase electronically stored Confidential Information that has been saved to a back-up file in accordance with its document retention policies or applicable law. Gallagher shall continue to protect such Confidential Information in accordance with this agreement.

7. Gallagher shall not access, use, or disclose Client's Data in any manner that would constitute a violation of state or federal law, the terms of this agreement. Gallagher may only provide access to authorized users who have a legitimate business need to access, use or disclose Client Data in the performance of Gallagher's duties to Client.
8. Gallagher shall only use or access Client Data in accordance with, and only to the extent permissible, under this agreement.
9. If Gallagher requires access to a Client software system, then each authorized user must have a unique sign-on identification and password for access to Client Data on Client systems. Authorized users are prohibited from sharing their login credentials, and may only receive such credentials upon execution of the Client's Authorized User Access Agreement, as mutually agreed to by the parties. Gallagher shall notify Client within one (1) day of the departure of any authorized user, so that Client may terminate such authorized user's access to Client software systems.