

## Senior Managing Director Addendum

THIS Senior Managing Director Addendum to the Member Master Agreement (the "Addendum") dated [redacted] is between Tailored Solutions LLC d/b/a HireResources, a company formed under the laws of Connecticut with its address at 48 Knapp Street Monroe, CT 06468 (the "Company" or "we") and [redacted] with [an] address at [redacted]

("Senior Managing Director" or "you") (the Company and Senior Managing Director may be referred to as the "Parties" or individually as a "Party").

### **1. Acknowledgement: Code of Ethics**

You acknowledge that you have received a copy of the Company's Code of Ethics and agree to abide by this Code and other Company policies, as they may be modified from time to time by the Company.

### **2. Compliance**

As a Senior Managing Director, you understand and agree that you are responsible for understanding and conducting business by all Code of ethics, applicable laws and good business practices.

### **3. Independent Contractors**

Like all Members (see Member Master Agreement), Senior Managing Directors shall have no set hours, no required location for Services, and shall otherwise be and serve as independent contractors. Each Senior Managing Director shall run his/her own schedule, "desk," work hours, and work location. Similarly, Senior Managing Director acknowledges that the Company's Members do not require any management. Members are independent contractors, just as you are. The Senior Managing Director agrees to support the Members regarding questions, recruiting best practices, training, and guidance if/when needed. Each Member will be different and have his/her own level of interaction. As independent contractors, you agree that you will not conduct mandatory meetings, require performance quotas, or provide direct managerial services to Recruiters.

### **4. New Members:** All new Members must be approved by the Company.

### **5. Senior Managing Directors' Payments**

The Senior Managing Director will be paid as set forth below.

#### **a. Contract Placements:**

- i. The candidate owner will receive 30% of the Net Profit collected.
- ii. The client owner (defined as any client you personally bring on and facilitate a contract with) will receive 30% of the Net Profit collected.
- iii. Member may be both the candidate holder and client holder. In such instance will receive 60% of the Net Margin.
- iv. Contract payments are calculated on Net Margin. Net Margin is the Gross Fee(s) received minus all costs associated with Contractor Pay Rate, State and Federal Taxes, Workman's comp, back office fees, etc). Total Burden ranges typically between 25-30%.
- v. 15% will be paid to Senior Managing Director on all contract placements made to a House Account derived from HireResource's Business Development team and managed by the Senior Managing Director. HireResources management will communicate in writing with the Senior Managing Director to clearly assign clients to be managed and assigned clients will be documented as such in our ATS system.

#### **b. Direct Hire Placements:**

- I. The candidate owner will receive 40% of the total collected placement fee after all guarantees have been satisfied and check has cleared in company's bank account.
- II. The client owner (defined as any client you personally bring on and facilitate a contract with) will receive 40% of the total collected placement fee after all guarantees have been satisfied and check has cleared in company's bank account.
- III. Member may be both the candidate holder and client holder. In such instance will receive 80% of the total collected placement fee.
- IV. A 15% over-ride will be paid to the Senior Managing Director on each placement made to a House Account managed by the Senior Managing Director. HireResources management will communicate in writing with the Senior Managing Director to clearly assign clients to be managed and assigned clients will be documented as such in our ATS system.
- V. House Accounts are defined as: Accounts that are originated by the HireResources' Business Development Team.

Initial [redacted]

## 6. ATS System:

All members are required to utilize the ATS for documenting all candidate and client activity. On the candidate side, this includes but is not limited to all candidate submissions, notes, status changes, interviews, offers and placements. On the client side, this includes adding all pertinent client information, signed contract, contacts, notes and job orders.

Our policy is that if the information isn't in the ATS then it didn't happen. This is due to the fact, that there is no way to track the activity effectively if it hasn't been properly documented and time stamped in our ATS system.

As a Senior Managing Director, you are required to have your own seat in our ATS system. If you terminate your ATS seat subscription or if payment is not made and your seat is terminated, you'll forfeit all rights associated with being an SMD. As an SMD you will need to have the ability to submit candidates to clients and therefore need a seat in our ATS. The current cost for a ATS seat is \$75/month if this cost should change we will bill you accordingly with our cost. If you make a placement to a client with one of your candidates, HireResources will pay for your ATS seat for three months. For each placement you make we will credit you an additional 3 months access to our ATS using your own seat. You can accrue up to 12 months of credited access maximum. There is no cash value to these credits. If Membership is terminated for any reason, you will lose the credits. All Members have the option of paying for their own ATS seat from day one.

## 7. Payment Terms - Direct Hire & Contract:

- a. Direct Hire Placements:
  - i. The Company will issue monthly payments for direct hire/permanent placements, subject to any and all guarantee provisions.
- b. Contract Placements.
  - i. Contract payments due will be processed once HireResources receives payment from either our back-office vendor or the client directly whatever is applicable.

The Company's Payments in General.


- ii. If a client does not make payment for services secured pursuant to this Addendum and/or the Member Master Agreement, the Company has no obligation, financial or other, to Members.
  - iii. Any fall off placements or adjustments will affect payment.
  - iv. Payments due to Member by the Company are in no way subject to any late charges, late fees, or other interest remunerations.
- c. Member invoicing for payment.
    - i. Company will share the statement of burden cost breakdown received from our outside back-office vendor on a monthly basis for all Senior Managing Director's placements, allowing Senior Managing Director to properly invoice Company for payments due.
    - ii. Members MUST invoice the Company for all payments, due on direct hire and contract placements. This is required for the Company's accounts payable to process your payment.
    - iii. All client payments must be received and cleared in the Company's bank account for the Company to release any payment.
    - iv. The following needs to take place for payment to be made.
      1. Client payment/funds clear in company bank account; and
      2. Invoice is received from Member via email form ([membersupport@hireresourcesllc.com](mailto:membersupport@hireresourcesllc.com) or such other address as may be provided by the Company).
    - v. Once approved, payments will be made within 5-10 business days depending on date received and payroll cycle.

Initial

**8. General Terms**

- a. Except as may be more specifically provided herein, the terms of the Member Master Agreement shall control any issues that may affect the Company and the Senior Managing Director.

**IN WITNESS WHEREOF** the Parties have executed this Addendum as of the date below.

| <b>The Company</b>  | <b>Senior Managing Director</b> |
|---|---------------------------------|
| Print Name: Dean Garamella  | Print Name: _____               |
| By:   | Signature: _____                |
|  | Dated: _____                    |
| Title: Partner  |                                 |
| Dated: 2020   |                                 |

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