

## SERVICE AGREEMENT FOR EMPLOYMENT SCREENING SERVICES

By registering for a user account, you agree to the following terms of service.

### 1. SERVICES PROVIDED:

Identify Background Checks, Inc agrees to furnish background information (“consumer report”) on job applicants/employees, as requested by the Subscriber. Identify Background Checks, Inc will use its best efforts to deliver the consumer reports requested in an expeditious manner, however, Identify Background Checks, Inc shall have no obligation or liability to Subscriber for any delay or failure to deliver consumer reports caused by the parties providing data or information to Identify Background Checks, Inc, or by any other third-party. Identify Background Checks, Inc is a federally regulated Consumer Reporting Agency as defined by the Fair Credit Reporting Act for the purpose of providing pre-employment screening information in accordance with all applicable guidelines and confidentiality as stipulated within applicable statutes.

### 2. DISCLAIMER OF WARRANTY/LIMITATION OF LIABILITY:

The consumer report obtained by Identify Background Checks, Inc is derived from databases and records that have been created and maintained by various government agencies, private companies, and other contributors that are not under the control of Identify Background Checks, Inc. Responsibility for the accuracy of the information contained in the consumer report and these databases and records rests solely in the contributor. The Subscriber waives any and all claim or claims against Identify Background Checks, Inc arising out of or related to the accuracy of the consumer report, databases and records. For any company that will use our services for Employment Verifications: Subscriber will indemnify and hold harmless Equifax, Vendor , Supplier or Talx and its affiliated persons and entities from and against any direct and actual loss, cost, liability and expense (including reasonable attorney fees) resulting from subscriber’s breach of this Agreement.

### 3. PAYMENT REQUIREMENTS/COLLECTION:

Subscriber agrees to pay Identify Background Checks, Inc the applicable charges for the various services rendered to Subscriber. Pricing will be firm for one-year, except for any government or third-party fee increases that are passed on to Identify Background Checks, Inc. Subscriber agrees to pay all applicable charges within thirty (30) days after receiving a Identify Background Checks, Inc invoice. All monetary obligations to Identify Background Checks, Inc for services rendered which are past due fifteen (15) days or more may, at the election of Identify Background Checks, Inc, bear interest at the rate of fifteen percent 15% per annum. In the event that legal action is necessary to obtain the payment of any monetary obligations to Identify Background Checks, Inc, the Subscriber shall be liable to Identify Background Checks, Inc for all costs and reasonable attorneys’ fees incurred by Identify Background Checks, Inc in collection of such obligations.

### 4. SUBSCRIBER’S CERTIFICATION OF COMPLIANCE WITH THE FAIR CREDIT

## REPORTING ACT:

The Fair Credit Reporting Act (FCRA) governs the activities of consumer reporting agencies, as well as the users of the information procured from these agencies. A consumer report contains information on a job applicant/employee's character, reputation, and other personal data; therefore, use of such information is strictly regulated by the FCRA. Among other things, the FCRA prohibits employers from obtaining consumer reports unless the employer discloses to the applicant, in writing, that such a report may be acquired, and obtains the written authorization of the applicant/employee to inquire into this background information. The FCRA also requires employers to take additional steps when they make an employment decision based in whole or part on the background information. These steps are intended to give the applicant the opportunity to dispute any information contained in the background or consumer report. Identify Background Checks, Inc urges all employers to review the restrictions and requirements of the FCRA. The Act's citation is Public Law 91-508, Title 15, U.S.C. Sections 1681, et seq, and the text of this Act is available on Identify Background Checks, Inc's web page. Please note, particularly, the Permissible Purposes of Reports, as well as requirements on Users of Consumer Reports and Obtaining Information Under False Pretenses. Unless requested by a client or by government regulation, Identify Background Checks, Inc will provide criminal records for a minimum of seven (7) years.

**Employment Purposes:** By signing this document, subscriber certifies that it is requesting Identify Background Checks, Inc to provide screening services only for the purposes of considering an individual for employment, promotion, reassignment or retention as an employee, or for determining eligibility for tenancy, and for no other purposes.

**Applicant's Authorization Obtained:** By signing this document, subscriber certifies that prior to requesting Identify Background Checks, Inc to provide screening services for employment purposes on any applicant/employee, it has provided the applicant/employee with a clear and conspicuous written disclosure, in a document consisting solely of the disclosure, that a consumer report is being requested for employment purposes, and it has obtained the written authorization from the applicant/employer to obtain a consumer report for employment purposes. A standard disclosure and authorization form is available from Identify Background Checks, Inc for these purposes.

**Pre-Adverse Action:** By signing this document, subscriber certifies that before taking adverse action (e.g., refusing to hire or promote an applicant/employee), based in whole or part on information contained in the consumer report, it will first:

- A. Provide the applicant/employee with a copy of the consumer report.
- B. Provide the applicant/employee with a copy of the Summary of Rights, in the format approved by the Federal Trade Commission (A copy of this Summary of Rights form may be obtained from Identify Background Checks, Inc); and
- C. Provide the applicant with ample time to dispute any information contained in the consumer

report.

**Adverse Action:** By signing this document, subscriber certifies that after providing the applicant/employee with the Pre-Adverse Action information contained above, and after it has given the applicant/employee “ample time” to dispute the information, the Subscriber will send the applicant a follow-up notification that the Subscriber is taking adverse action (e.g., denying employment or promotion) based on the information contained in the consumer report.

**Confidentiality and Legal Use of Information:** By signing this document, subscriber certifies that it acknowledges the sensitivity and confidentiality of the information contained in the consumer report and Subscriber agrees that information obtained from a consumer report will not be used in violation of any applicable state or federal equal employment opportunity laws.

**Indemnification/Hold Harmless:** By signing this document, subscriber acknowledges that it has read and understands the requirements of the Fair Credit Reporting Act, Subscriber agrees that it will comply with all such requirements, and Subscriber agrees that it shall defend, indemnify and hold Identify Background Checks, Inc, its directors, officers, employees, agents, successors and assigns, harmless from any and all claims, liability, costs or damages whatsoever arising out of or related to Subscriber’s failure to comply with the requirements of the FCRA or the State of California. Subscriber further agrees that it shall defend, indemnify and hold Identify Background Checks, Inc, its directors, officers, employees, agents, successors and assigns, harmless from any and all claims, liability or damages whatsoever arising out of or related to the accuracy or use of the services or data provided under this Agreement.

**For any company that will use our services for Employment Verifications:** Subscriber will indemnify and hold harmless Equifax, Vendor , Supplier or Talx and its affiliated persons and entities from and against any direct and actual loss, cost, liability and expense (including reasonable attorney fees) resulting from subscriber’s breach of this Agreement.

#### 5. ARBITRATION:

Any controversy or claim arising out of or relating to this Agreement, or the breach thereof, shall be settled by arbitration in McKinney, Texas, in accordance with the Commercial Arbitration Rules of the American Arbitration Association, and judgment upon the award rendered by the arbitrator(s) may be entered in any court having jurisdiction thereof.

#### 6. ATTORNEYS FEES AND COSTS:

In the event a dispute arises with respect to this Agreement, the party prevailing in such dispute shall be entitled to recover all expenses, including, without limitation, reasonable attorneys’ fees and expenses incurred in ascertaining such party’s rights, and in preparing to enforce, or in enforcing such party’s rights under this Agreement, whether or not it was necessary for such party to institute suit or submit the dispute to arbitration.

#### 7. GOVERNING LAW:

This Agreement shall be governed by and construed in accordance with the laws of the State of

Texas.

#### 8. WAIVER:

The failure of either party to insist in any one or more cases upon the strict performance of any term, covenant or condition of this Agreement will not be construed as a waiver of a subsequent breach of the same or any other covenant, term or condition; nor shall any delay or omission by either party to seek a remedy for any breach of this Agreement be deemed a waiver by either party of its remedies or rights with respect to such a breach.

#### 9. SUCCESSORS:

This Agreement shall insure to the benefit of and bind the heirs, personal representatives, successors, and assigns of the parties.

#### 10. CANCELLATION:

Subscriber can cancel the account with Identify Background Checks, Inc by providing 10 days written notification in advance of cancellation date. However, Subscriber is obligated and must adhere to the FCRA and State of California despite cancellation. Identify Background Checks, Inc recommends that all Disclosure and Release forms must be kept on file in a secure location for a period of at least five (5) years.

#### 11. PROPRIETARY INFORMATION:

The entire Identify Background Checks website, which is accessible via this Uniform Resource Locator, <https://clients.identifycheck.com/login.php>, is proprietary. This includes all information, images, colors, features, functions and supporting software code.

The subscriber company agrees that existing, future and former employees will not share their Identify Background Checks website login credentials with any non-subscribers.

The subscriber company agrees that existing, future and former employees will not attempt to capture or possess any video or images (digital, printed or reconstructed video or images) of the Identify Background Checks website.

The subscriber company agrees that existing, future and former employees will not show any video or images (digital, printed or reconstructed video or images) of the Identify Background Checks website to any non-subscribers, at any time, for any reason.

A non-subscriber is any third-party who has not received express written authorization from Identify Background Checks to access the Identify Background Checks website, including but not limited to, independent contractors, lawyers, investigators, auditors, government employees, or other agents working for or affiliated with other pre-employment screening companies.

If this confidentiality provision is violated by any authorized user of the subscriber company, the subscriber company will be held liable for damages.

By completing a user account and using the Identify Background Checks system, the Subscriber has read and agrees to be legally bound to the terms and conditions of this agreement.

You also authorize us to verify any criminal records obtained from a database search (aka unverified criminal records) by ordering the criminal record on file from the originating court, at full price, including court costs, because no controls exist to ensure the accuracy of criminal database records.

Also, the criminal records contained in privately owned databases are filed by name and date of birth.

If your applicant provides you with a false date of birth to conceal a criminal record violation, or if the person ordering the background check accidentally enters the date of birth incorrectly or if the database record lists the applicant's date of birth erroneously, then the only way to discover if the applicant has a criminal record when using a database search is if your screening provider's system is equipped to search for "close date of birth matches" and then delivers these records to you.

Of course, if you receive a "close date of birth match" record, the only way to verify if the record actually belongs to your applicant, before making a hiring decision, is to order the criminal record on file with the originating court.

The default setting in our system is to deliver criminal database records with "close date of birth" matches as well as exact matches. If you prefer to receive exact matches only, please notify customer service.