



LETTER OF ENGAGEMENT

PRIVATE AND CONFIDENTIAL

January 24, 2018

Ms. Tara Raymore
Senior Director of Human Resources
Williamson County
301 S.E. Inner Loop
Suite 108
Georgetown, Texas 78626

RE: Compensation Process Review

Dear Ms. Raymore:

We appreciate the opportunity to assist Williamson County with a review/audit of your compensation processes at the County. This letter of engagement sets forth our understanding of your needs and the terms and conditions on which our services will be rendered. Korn Ferry Hay Group, Inc. may be referred to as "Korn Ferry Hay Group," "Hay Group," "KFHG," "we," "our" or "us." Williamson County may be referred to as "Williamson," "the County," "County," "client," "licensee," "you," or "your." This letter of engagement, including the Attachments, forms the agreement (the Agreement) under which we will work together.

Hay Group will provide the professional services described in Attachment 1 (the "Services") and Paul Glogowski will lead the assignment. We may include other consultants, as needed, to assist in the provision of the Services.

If this Agreement accurately describes the terms of our engagement, please have an authorized representative of Williamson County sign and return the entire Agreement to Paul Glogowski at paul.glogowski@kornferry.com. Our receipt of this Agreement signed by you authorizes us to proceed with our Services.

Hay Group appreciates the opportunity to be of service to Williamson. If you have any questions now or during our engagement, please let us know.

Sincerely,

Korn Ferry Hay Group

Accepted by:

Williamson County

By:

Name:

Title:

Date:

By:

Name:

Title:

Date:

Korn Ferry Hay Group, Inc.

Paul Glogowski

Associate Client Partner

January 24, 2018

ATTACHMENT 1 SCOPE OF SERVICES

Outline of Project

Step 1: Planning: Korn Ferry Hay Group believes that planning and communication are crucial elements in conducting any successful project – large or small. The KFHG team will meet with the County's designated Project Team at the commencement of the project to accomplish the following:

- **Clarify the Scope of the Project.** Agree on the scope of the project, which will include defining the roles and responsibilities of the consultants and the County; clarifying project expectations and anticipated outcomes; and determining the specific timetable of events, including scheduling of status meetings with the County.
- **Agree on the Project Management Process.** Hay Group will provide status updates as how KFHG and the County will assume a partnership responsibility for ensuring that the project is conducted on time, within budget and provides to the County the necessary deliverables. In addition, we will meet with relevant stakeholders at key milestone events in the project for the dual purpose of gaining their input to project process decisions and to keep them informed on project progress.

We anticipate this planning meeting/session will take place via conference call or WebEx.

Step 2: Compensation Process Understanding: We will gather information from you to increase our knowledge of the existing/proposed market assessment, classification, and compensation administrative processes. Data gathering will include existing process documentation for any compensation process you have, market data collected as part of your current market assessment, the current structure, a spreadsheet indicating your market findings and the recommended pay range for each position being assessed, and any other pertinent documentation you would like us to review that will help us to understand the County's compensation program and processes.

Step 3: Review Initial Findings: Via call or meeting we will discuss/review our initial assessment of your Compensation processes to ensure we both clearly understand the process itself and to ensure County HR leadership understands the findings and conclusions.

Following this meeting, we will produce a draft report which will serve as the foundation for the formal Court presentation. This draft report will include:

- An assessment of your market analysis process and results thereof
- An assessment of the current "comparative entities" that the County considers its labor market competitors
- An assessment of any current salary administration procedures/processes relative to 'best practice' and generally accepted compensation administrative practices in the market

We anticipate one of the deliverables to also include a 'red-line' mark up of any of the documents you provide that indicate changes the County may wish to make based on our review

Step 4: Presentation to Commissioners Court: KFHG will present the final findings of the study to the Commissioners. This meeting will allow the Commissioners Court the opportunity to ask any questions they have regarding the findings.

Step 5: Review of County Recommendations: KFHG will review the salary recommendations the HR department is preparing for the Courts review/approval. Following our review, we will prepare a written report of our validation of these recommendations.

Deliverables

KFHG will deliver to Williamson:

- A report of findings summarizing assessment of your process and items for the County to consider to possibly improve/modify, if needed
- A Court presentation presenting a summary of our work, our findings and recommendations
- A written report of our review of the salary recommendations being made by the County HR department to the Court

THIS AGREEMENT DOES NOT INCLUDE AN INTELLECTUAL PROPERTY LICENSE TO HAY GROUP'S INTELLECTUAL PROPERTY. USE OF HAY GROUP'S INTELLECTUAL PROPERTY REQUIRES THE EXECUTION OF A SEPARATE INTELLECTUAL PROPERTY LICENSE AGREEMENT.

Dates

Start date: February 15, 2018

Completion Date: May 15, 2018

Professional Fees and Expenses

- The professional fees for the Services outlined in this engagement letter are \$15,500
- Professional fees will be billed monthly as incurred
- Direct out-of-pocket expenses including travel, lodging, and video-conferencing, will be billed monthly as incurred. KFHG will have all travel expense preapproved in writing by Client so that Client can ensure compliance with the Williamson County Vendor Reimbursement Policy.
- **Texas Prompt Payment Act Compliance:** Payment for goods and services shall be governed by Chapter 2251 of the Texas Government Code. An invoice shall be deemed overdue the 31st day after the later of (1) the date licensee receives the goods under the contract; (2) the date the performance of the service under the contract is completed; or (3) the date the Williamson County Auditor receives an invoice for the goods or services. Interest charges for any overdue payments shall be paid by licensee in accordance with Texas Government Code Section 2251.025. More specifically, the rate of interest that shall accrue on a late payment is the rate in effect on September 1 of licensee's fiscal year in which the payment becomes due. The said rate in effect on September 1 shall be equal to the sum of one percent (1%); and (2) the prime rate published in the Wall Street Journal on the first day of July of the preceding fiscal year that does not fall on a Saturday or Sunday.
- **Termination for Convenience:** This agreement may be terminated at any time at the option of either party, without future or prospective liability for performance upon giving thirty (30) days written notice thereof. In the event of termination, The County will only be liable for services as set forth below.

Rescheduling or Cancelling

Hay Group will schedule and commit personnel and resources to provide the Services. Hay Group understands that Client's business conditions may change; however, rescheduling or cancelling on short notice impacts Hay Group's business and its ability to provide outstanding service to all its clients. Client may reschedule or cancel the provision of Services by paying the following fees in addition to the associated fees for any Services rendered. These fees are reflective of the lost bookings for Hay Group for the time scheduled for the team leader, team members and other resources, and are not penalties.

1. If rescheduling or cancelling more than 20 business days before the scheduled program, meeting or session, Client will pay the Actual Expenses (defined below) incurred as a result of the rescheduling or cancellation.
2. If rescheduling or cancelling 20 or fewer business days before the scheduled program, meeting or session, cancellation/rescheduling fees will be calculated based on the number of business days' notice provided as shown in the table below, plus Actual Expenses incurred.

Length of Program:		Less than 1 day	1-2 days	3-5 days
Notice from client (business days)	16-20	0	0	25%
	11-15	0	25%	50%
	6-10	0	50%	75%
	3-5	50%	75%	75%
	Less than 2	100%	100%	100%

"Actual Expenses" means amounts Hay Group pays to others in anticipation of the Services (e.g., hotels, airlines) that Hay Group cannot recover on its termination of the bookings. Hay Group will invoice Client for any additional penalties or fees incurred due to changes or cancellations. Hay Group will charge Client for costs incurred for any materials Hay Group prepares (e.g., for events, workshops, meetings) if the engagement is not rescheduled within two months of the original date.

Billing Information

Invoices will be sent to the following address:

Company:	Williamson County
Address:	301 SE Inner Loop, Ste. 108
Address:	Georgetown, Texas 78626
Attn (Name, Title):	Tara Raymore, Senior Director of Human Resources
Email, Phone:	Traymore@wilco.org , 512-943-1533

Accounts Payable Contact:

Company:	Williamson County
Address:	710 Main Street, Ste. 303
Address:	Georgetown, Texas 78626
Attn (Name, Title):	Leticia Gomez, Accounts Payable Auditor
Email, Phone:	Lgomez@wilco.org , 512-943-1500

Purchase Order Number (Check the appropriate box):

- ☐ PO Number required on invoice.
- ☒ PO Number *not* required on invoice.

ATTACHMENT 2 GENERAL TERMS AND CONDITIONS

1. Korn Ferry Hay Group's Responsibilities. KFHG will perform the Services in a competent and professional manner and in accordance with generally accepted industry standards. KFHG may remove and replace any of its resources performing the Services; any resource removed will be replaced by a resource of comparable training and experience. Client may request KFHG to remove and replace any of its resources performing the Services with a resource of comparable training and experience.

2. Client's Responsibilities. Client will timely provide KFHG with the documentation, information, access to its personnel and the cooperation KFHG reasonably requires to provide the Services. Client will not use the Services, New Materials, or KFHG Materials (defined below) as the sole source for any employment action relating to any of its employees or candidates.

3. Taxes.

a. Client will be responsible for all applicable taxes (excluding taxes imposed on KFHG's net income) imposed by any taxing or governmental authority, whether designated as value-added (VAT), sales, use, or other similar taxes, including any penalties or interest thereon (together "**Transaction Taxes**") now in effect or hereafter imposed or based upon or resulting from the fees arising pursuant to this Agreement. If Client is exempt from Transaction Taxes, Client must inform KFHG of its exemption and provide to KFHG complete and proper documentation evidencing the exemption.

b. If Client is required by applicable law to deduct or withhold taxes from any payment due to KFHG, Client will: (i) withhold the legally required amount from payment; (ii) remit the withheld tax to the applicable taxing authority; and (iii) within sixty (60) days of payment, deliver to KFHG original documentation or a certified copy evidencing remittance of withheld tax. If Client does not provide evidence of payment of withheld taxes, Client will reimburse KFHG for the tax withheld from payment to KFHG. Client will comply with all applicable law, including income tax treaties and protocols, in determining the amount of tax to withhold.

4. Representations and Warranties. Each party represents and warrants that: (a) it is duly organized and validly existing under the laws of the jurisdiction of its incorporation or organization, and has full power and authority to perform all of its obligations under this Agreement; (b) the person executing this Agreement on its behalf is duly authorized and empowered to bind the party to this Agreement; and (c) it will comply with all applicable laws in connection with this Agreement. KFHG DISCLAIMS ALL OTHER REPRESENTATIONS AND WARRANTIES, WHETHER EXPRESS OR IMPLIED, INCLUDING WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.

5. Intellectual Property.

a. Client retains ownership of all materials, and the intellectual property rights in those materials, provided to KFHG by or on behalf of Client ("**Client Materials**"). Subject to Section 5.b., Client will also own copies of reports and analyses KFHG delivers to Client under this Agreement ("**New Materials**"). Client may use the New Materials in the form provided for its internal purposes only; Client may not use the New Materials for any other purpose or permit any other person, firm or entity to use the New Materials.

b. The performance of the Services and creation of the New Materials will require the use of KFHG's materials and methodologies that are considered proprietary, copyright, patent, and trade secret materials ("**KFHG Materials**"). KFHG Materials include methodologies, preexisting programs, instruments, models, proprietary information, patents, registered and unregistered trademarks, trade names, trade secrets, copyrights, prototypes, inventions, algorithms, designs, compilations, computer software programs, tools, databases, evaluation guides, report forms, scoring guides, scoring algorithms, scoring instructions, scoring software and norms. KFHG may customize, modify, translate, or expand KFHG Materials to apply to Client's unique requirements (collectively, a "**Customization**"). Any Customization will be KFHG Materials. KFHG owns KFHG Materials at all times. KFHG reserves all rights not expressly granted under this Agreement. Licenses to KFHG Materials must be procured through a separate license agreement. This Agreement will not be construed as a license to copy, modify, create derivative works from, publish, disclose or otherwise use KFHG Materials. Client will not download, copy, publish, disclose, create derivative works of, disassemble, decompile or otherwise

attempt to reverse engineer KFHG Materials, nor will Client permit any other person to do so. Client will be liable for all violations of these restrictions by its employees, subcontractors, or agents.

c. If a Customization includes Client Materials, Client grants to KFHG a non-exclusive, limited, non-transferable license to use the Client Materials solely in connection with the Customization. Client represents and warrants that it has all the necessary rights to include the Client Materials in the Customization.

6. Confidential Information.

a. One party ("**Discloser**") may disclose Confidential Information to the other party ("**Recipient**") in connection with this Agreement. "**Confidential Information**" means all oral or written information concerning a party, including the party's business and business activities (past, present and future), financial information, technical information, customer information, intellectual property, methodologies, strategies, plans, documents, drawings, designs, tools, models, inventions, and patent disclosures, whether or not marked or identified as "confidential," that may be obtained from any source as a result of this Agreement. Confidential Information does not include information, technical data, or know-how that: (i) is or becomes a matter of public knowledge through no fault of Recipient; (ii) was lawfully in Recipient's possession or known by it prior to its receipt from Discloser; (iii) was rightfully disclosed to Recipient by another person without restriction; (iv) Recipient independently develops without use of Discloser's Confidential Information; or (v) Discloser approves in writing for release.

b. Recipient will not use any Confidential Information it receives from Discloser for any purpose other than to perform its obligations under this Agreement. Recipient will not disclose any Discloser Confidential Information to third parties or to its employees, other than employees or third parties who are required to have the Confidential Information to perform obligations under this Agreement and who are bound by confidentiality terms substantially similar to those in this Section. Recipient and Discloser will each be responsible for any breach of this Agreement by its representatives. Recipient will protect Confidential Information from disclosure to others using the same degree of care it uses to protect its own confidential information, but in any case, no less than a commercially reasonable degree of care. If Recipient is required by law, regulations, or court order to disclose any of Discloser's Confidential Information, Recipient, where legally allowed, will promptly notify Discloser in writing prior to making any disclosure. Discloser may, at its sole expense, seek a protective order or other appropriate remedy from the proper authority.

c. Upon request, Recipient will destroy Discloser's Confidential Information in its possession, but Recipient may: (i) retain copies of Confidential Information that it is required to retain by law or regulation; (ii) retain copies of its work product that contain Confidential Information for archival purposes or to defend its work product; and (iii) store copies made as part of routine back up of its information technology systems but the Confidential Information must continue to be handled in accordance with this Section. Both parties understand and acknowledge that Client is subject to the Texas Public Information Act. The parties will cooperate to fulfil their respective obligations herein as well as protect any proprietary, personal or confidential information to the full extent permitted by all available exclusions and exceptions.

7. Raw Data. KFHG will not disclose to Client the raw data, including personal information, KFHG collects in providing the Services, and upon which the New Materials will be based (the "**Raw Data**"). KFHG will use Raw Data to provide the Services and as specified in this Agreement. Raw Data will be handled and used in accordance with KFHG's Global Privacy Policy, which is available on KFHG's website and incorporated into this Agreement by reference. KFHG may archive and use the Raw Data for research, studies, development, benchmarking, statistics, analytics, and to develop, improve, and enhance KFHG's products and services.

8. Responsibility & No Waiver of Sovereign Immunity. KFHG shall have no responsibility for Client's decision to take any employment action with regard to any individual identified, evaluated, assessed, or coached by KFHG. Nothing in this agreement will be deemed to constitute a waiver of sovereign immunity or powers of licensee, the Williamson County Commissioners Court, or the Williamson County Judge.

9. Limitations of Liability. NEITHER PARTY WILL BE LIABLE TO ANY PARTY FOR ANY INDIRECT, SPECIAL, EXEMPLARY, CONSEQUENTIAL, PUNITIVE OR INCIDENTAL DAMAGES OF ANY TYPE, INCLUDING LOST PROFITS OR BUSINESS INTERRUPTION, RELATING TO THIS AGREEMENT. KFHG'S MAXIMUM TOTAL LIABILITY FOR ANY CLAIMS RELATING TO THIS

AGREEMENT IS LIMITED TO THE FEES PAID BY CLIENT TO KFHG UNDER THIS AGREEMENT. THIS SECTION APPLIES REGARDLESS OF THE LEGAL THEORY ASSERTED AND EVEN IF THE PARTY KNOWS THAT THESE DAMAGES MIGHT OCCUR.

10. Assignment. Neither party may sell, assign, or transfer this Agreement, without the other party's written consent, except no consent is required if the assignment: (a) results from the assignor's merger, consolidation, spin-off, split-off or acquisition, but the assignment must be limited to the assignor's survivor, subsidiary or successor; or (b) is to an affiliate capable of performing the assignor's duties and obligations under this Agreement. Subject to the foregoing, this Agreement will inure to the benefit of and will be binding upon KFHG, Client and their respective successors and permitted assigns.

11. Governing Law. This Agreement will in all respects be governed by and construed in accordance with the laws of the State of Texas, United States of America, excluding any choice of law provisions and without effect to principles of conflicts of law, regardless of the place of making or performance. Venue of this Agreement shall be Williamson County, Texas. The parties disclaim the applicability of the United Nations' Convention on the International Sale of Goods. The parties agree to use mediation for dispute resolution prior to any formal legal action being taken on this agreement.

12. Non Waiver. Neither party's failure at any time to enforce any of the provisions of, or any right or remedy available to it under, this Agreement or at law or in equity, or to exercise any option provided, will constitute a waiver of that provision, right, remedy or option or in any way affect the validity of this Agreement. Either party's waiver of any default by either party will not be deemed a continuing waiver but will apply solely to the instance to which that waiver is directed.

13. Severability; Interpretation. Every provision of this Agreement will be construed, to the extent possible, to be valid and enforceable. If any provision of this Agreement is held by a court of competent jurisdiction to be invalid, illegal or otherwise unenforceable, that provision will be deemed severed from this Agreement, and all other provisions will remain in full force and effect.

14. No Third Party Beneficiary Rights. This Agreement is not intended to be for the benefit of any person other than Client and KFHG. No other person, including any candidates or prospective candidates, will be considered third party beneficiaries of, or otherwise entitled to, any rights or benefits arising in connection with this Agreement.

15. Force Majeure. With the exception of a party's obligation to make payments properly due to the other party, neither party will be considered in default as a result of its delay or failure to perform its obligations under this Agreement when the delay or failure arises out of causes beyond that party's reasonable control. Causes may include acts of God or a public enemy, acts of the state or the government in its sovereign or contractual capacity, fires, floods, epidemics, strikes, and unusually severe weather; in every case, delay or failure to perform must be beyond the reasonable control of and without the fault or negligence of the party claiming a force majeure event to excuse its performance.

16. Entire Agreement; Conflicts. This Agreement contains the entire agreement between the parties regarding the subject matter hereof and supersedes any prior representations, advertisements, statements, proposals, negotiations, discussions, understandings, or agreements regarding the same subject matter. The parties will not be bound by any representation, promise, or condition not expressly set forth in this Agreement, including any provision contained in any Client purchase order. Client has not been induced to enter into this Agreement by any representations or statements, oral or written, not expressly contained in this Agreement. This Agreement may not be modified or amended except by a writing signed by the party against whom the same is sought to be enforced.

17. Miscellaneous. No provision of this Agreement will be construed against or interpreted to the disadvantage of any party because that party has or is deemed to have drafted the provision. All section headings and captions are for the parties' convenience only, are not part of the text, and will not be deemed in any way to limit or affect the meaning of this Agreement. When used in this Agreement, "including" means "including without limitation." This Agreement may be executed in any number of counterpart copies, each of which will be deemed an original, but which taken together constitute a single instrument. Except as expressly provided in this Agreement, all remedies available to either party for breach of this Agreement or at law or in equity are cumulative and may be exercised concurrently or separately. Those sections of this Agreement that are intended by their nature to survive termination or expiration of this Agreement will survive.

18. Right to Audit. KFHG agrees that licensee or its duly authorized representatives shall, until the expiration of three (3) years after final payment under this Agreement, have access to and the right

to examine and photocopy any and all books, documents, papers and records of KFHG which are directly pertinent to the services to be performed under this Agreement for the purposes of making audits, examinations, excerpts, and transcriptions. KFHG agrees that licensee shall have access during normal working hours to all necessary KFHG facilities and shall be provided adequate and appropriate workspace in order to conduct audits in compliance with the provisions of this section. Licensee shall give KFHG reasonable advance notice of intended audits which shall be at Client's expense. Audits may be conducted up to once per year for the sole purpose of confirming the parties' fulfillment of their respective obligations under this Agreement. Client and its agents must keep confidential all information learned during any audit. Korn Ferry may require outside auditors to sign an appropriate confidentiality agreement. Korn Ferry will not provide Client or its agents with access to proprietary or confidential information concerning its other customers. Audits must not interrupt Korn Ferry's business and must be conducted in a manner which does not, in the Korn Ferry's reasonable judgment, compromise the integrity of Korn Ferry's data, its other customers' data, system security, or operational performance. Client may not perform or disclose any of the following security testing of the system environment or associated infrastructure without signing Korn Ferry's standard Audit Compliance Agreement: network discovery, port and service identification, vulnerability scanning, password cracking, remote access testing, penetration testing, service denial attack or other testing which by its application may cause impact to Korn Ferry's data, its customer's data, its operations or security.