Last updated May 1, 2023.

These AvaTax Product-Specific Supplemental Terms ("**AvaTax Terms**") govern Customer's use of AvaTax, AvaTax add-on products and features, Avalara Tax Content, and other Services that may require an AvaTax Account. These AvaTax Terms are in addition to and incorporate by reference the Avalara Service Terms and Conditions located at https://www.avalara.com/terms (the "**Terms**"). Any capitalized terms used in these AvaTax Terms and not defined shall have the meaning given in the Terms.

1. **AvaTax Transaction Calculations**.

    a. **Transaction Usage**. Fees for usage of AvaTax are based on the number of Transactions used in AvaTax by Customer. Avalara will charge a number of "**Transactions**" used each day equal to the greater of the results of (i) or (ii) below:

        i. The number of Documents recorded; or

        ii. The number of API calls to the tax calculation service recorded, divided by 10.

           In addition to the Transactions counted under (i) or (ii) above, every 10 API calls to the address validation service, other than API calls that are specifically associated with a tax calculation, will count as one Transaction. The number of Transactions used will be measured daily. For purposes of calculating Transactions used, fractional Transactions will be rounded up to the next whole number.

    b. **Document Definition**. A "**Document**" is any record that is entered, uploaded, or otherwise recorded in AvaTax by Customer. Documents include, for example, committed sales invoices, purchase invoices, inventory transfer invoices, return invoices, and committed ecommerce shopping carts. Each such record will count as one Document for purposes of calculating usage of AvaTax, as will each subsequent alteration of the record. All such records will be considered Documents, regardless of the tax result generated by AvaTax, except for records on which no tax is calculated solely because the Customer has configured AvaTax to not calculate tax because the Customer does not have nexus in that jurisdiction. For purposes of calculating Document usage, each Document is assumed to have 35 or fewer invoice lines. If the ratio of invoice lines per Document exceeds 35/1 in any day, the number of Documents counted for that day will be the total number of invoice lines in that day divided by 35.

    c. **Global Transactions**.

        i. **International Tax Transactions**. If Customer records any Documents or API calls for which the ship-from and ship-to addresses are in different countries, Avalara will count such Documents or API calls as "**International Tax Transactions**." International Tax Transaction usage is calculated using the methodology set forth in Section 1(a) (*Transaction Usage*) above, and the specific number of Transactions used for each International Tax Transaction will be 1.15 Transactions.

        ii. **Customs Transactions**. If Customer records an International Tax Transaction that includes a pre-classified harmonized tariff code, then Avalara will count the customs duty and import tax calculations performed as a "**Customs Transaction**." Customs Transaction usage is calculated using the methodology set forth in Section 1(a) (*Transaction Usage*) above, and the specific number of Transactions used for each Customs Transaction will be 1.75 Transactions.

iii. **Estimated Customs Transactions**. If Customer configures AvaTax and Customs Transactions to provide estimated customs charges based on Customer's item description in lieu of providing a full country-specific tariff code, Avalara will identify a set of probable harmonized system (HS) codes for duty and import tax calculation using a Customer-configurable strategy (for example, a minimum/maximum/average approach). Avalara will count the customs duty and import tax calculations performed as an "***Estimated Customs Transaction***." Estimated Customs Transaction usage is calculated using the methodology set forth in Section 1(a) (*Transaction Usage*) above, and the specific number of Transactions used for each Estimated Customs Transaction will be 2.0 Transactions. Customer is responsible for any variance between the estimated customs charges in the Estimated Customs Transaction and the actual customs charges owed to an applicable government authority.

d. **AvaTax Account Usage**. Certain add-on products and features and other Services accessed through Customer's AvaTax Account may require the same usage tier.

e. **License**. Avalara grants Customer a limited, nonexclusive, nontransferable, nonassignable, worldwide license to use and retain the Content that is returned by the Services to Customer solely for its internal compliance purposes (i) in connection with the specific Document or API call for which it was provided or (ii) aggregated with other content to produce a tax return or similar filing for Customer ("***AvaTax Content License***").

2. **AvaTax Trial Period**. During the Initial Subscription Term only, Customer may immediately terminate Customer's subscription to AvaTax by submitting a notice to Avalara in accordance with the instructions provided in the Documentation within 60 days of the Effective Date. If Customer exercises Customer's termination rights under this Section 2 (A*vaTax Trial Period*), then Avalara shall refund Customer the fees Customer paid to Avalara for AvaTax.

3. **Avalara Data Storage - AvaTax**.

a. **Included Storage**. AvaTax includes access to stored transaction data (i) for customers who have AvaTax subscriptions but not subscriptions for Avalara Managed Returns for Accountants, Avalara Returns, Avalara Returns for Accountants, or Avalara Returns for Small Business ("***Returns Services***"), for the current and previous calendar years; and (ii) for customers who have AvaTax subscriptions plus subscriptions to any Returns Services, for the current and previous four calendar years.

b. **Extended Storage**. Avalara will charge a fee to access older transaction data. Fees for access to older transaction data are based on the number of "***Stored Documents***" recorded prior to the previous calendar year for AvaTax customers and prior to the previous four calendar years for AvaTax plus Returns Services customers. Avalara will charge the number of Stored Documents equal to the greater of (i) the number of Documents recorded; or (ii) the total number of invoice lines in the Documents recorded divided by 35. Avalara sells access to Stored Documents in increments of 25,000 (each increment, a "***Storage Unit***"). For Customers who have cancelled all subscriptions and need access only, Avalara Data Storage includes access to all transaction data.

4. **AvaTax Accuracy Guarantee**. Avalara provides a guarantee of the accuracy of U.S. sales tax calculation results provided by AvaTax (the "***Accuracy Guarantee***") under the following terms:

a. If Customer suffers a negative audit finding that results in financial loss due to an incorrect sales or use tax calculation result returned by AvaTax, Avalara shall pay Customer the lesser of either: (i) the amount of the penalties, interest, and uncollected sales or use taxes that directly result from the incorrect result, as specified in the final assessment notice received from the applicable taxing authority after all administrative appeals and abatement options are exhausted; or (ii) the amount of the AvaTax fees paid

during the year preceding the negative audit finding (calculated as described in subsection (c) below).

b. The following limitations apply to the Accuracy Guarantee:

   i. Customer must have properly set up, configured, and maintained its tax profile and Customer Data on the Avalara system and have correctly classified items sold by Customer. To the extent that the incorrect result was caused by Customer's failure to properly set up, configure, or maintain its tax profile or Customer Data, Avalara will not be responsible for the incorrect result.

   ii. Avalara will not be responsible for the incorrect result to the extent that it was caused by the failure of the applicable taxing authority to timely and accurately provide or update correct and current tax rates, boundaries, rules, and classifications.

   iii. Customer must provide notice to Avalara no later than the earlier of either: (1) 10 days after the taxing authority's finding of a negative audit assessment; or (2) 45 days after the date that Customer identifies, or the taxing authority initially identifies to Customer, an issue that relates to the alleged incorrect result provided by Avalara. Such notice must be sent to accuracy@avalara.com.

   iv. Customer must provide full and timely assistance to Avalara in confirming the nature and occurrence of the alleged error, including providing Avalara with access to its relevant financial reporting records, transaction logs, reports, and all other relevant information reasonably related to the alleged error.

   v. Customer must provide full and timely assistance to Avalara in challenging the taxing authority findings if Avalara, in its sole discretion, determines them to be incorrect. To the extent that an audit assessment involves other issues in addition to the alleged incorrect result from Avalara, Customer, its Representatives, and Avalara will work together to ensure a collaborative response to the audit.

   vi. Upon first becoming aware of a potential error related to an incorrect result by Avalara, Customer must take reasonable steps to mitigate its losses, including, but not limited to, changing taxability determinations or calculations for ongoing transactions and rebilling customers for the uncollected tax.

c. For purposes of calculating the amount of the AvaTax fees paid that are eligible for the Accuracy Guarantee payment, the amount will be the fees actually paid by Customer to Avalara for AvaTax, and the time period will be the 365 days preceding the issuance of the negative audit finding (*e.g., in the case of a negative finding issued by a taxing authority on March 31, 2020, the period used in the calculation will be from April 1, 2019, to March 31, 2020*). For clarity, for purposes of this calculation, the fees paid for AvaTax do not include activation fees, any fees for ancillary Professional Services, or any other one-time fees, and payments under this Accuracy Guarantee are subject to the limitations in the Terms (e.g., Section 12(b) (*Limitation of Liability*)).

d. If the audit implicated other issues in addition to the alleged incorrect result provided by Avalara, the amount to be paid by Avalara under the Accuracy Guarantee will be the percentage of the final assessment amount equal to the percentage of the final assessment related to the alleged incorrect result provided by Avalara.

e. Avalara shall make the Accuracy Guarantee payment to Customer within 30 days after the date that Customer receives the final assessment notice from the applicable taxing authority, after all administrative appeals and abatement options are exhausted. Avalara may also, in its sole discretion, make the payment at an earlier date, in which case, Customer's obligation to continue to assist Avalara in contesting the audit will cease on the date of the payment.

f. The Accuracy Guarantee only applies to sales tax calculation results provided by the AvaTax Service **after October 15, 2015**. Customer must have a current AvaTax subscription in good standing when the claim is submitted to Avalara to be eligible to receive payment under the Accuracy Guarantee.

5. **Avalara Tax Content (*formerly Avalara Content Generation for Point of Sale*).**

   a. Customer is responsible for configuring the Account in accordance with the Documentation, including, for example, frequency of updates, Customer's Locations, and Customer's products. "***Location***" means the physical location where Customer has one or more point-of-sale devices installed and configured to use Avalara Tax Content. Customer may send its offline tax calculations to the Account via batch API calls, as described in the Documentation, not to exceed 75,000 API calls per Location in a Subscription Term.

   b. **License**. Avalara grants Customer a limited, nonexclusive, nontransferable, nonassignable, worldwide license to use and retain the Content that is returned by the Services to Customer solely for its internal compliance purposes in connection with the goods and services it sells.

   c. **Deviations from the Terms**. For Avalara Tax Content:

      i. **No Automatic Upgrade**. Customer's Avalara Tax Content subscription will not be automatically upgraded to the next highest subscription tier.

      ii. **Uptime Statistics**. Avalara's obligations relating to uptime statistics and status updates and availability of "software as a service" Services, contained in the section of the Terms entitled The Services/Avalara's Responsibilities, do not apply to Avalara Tax Content.

      iii. **No Accuracy Guarantee**. The Accuracy Guarantee does not apply to Avalara Tax Content.

6. **Avalara Age Verification for Beverage Alcohol**. "***Avalara Age Verification***" means the optional add-on feature of AvaTax for Beverage Alcohol where Avalara checks Customer's client's age, as submitted through an AvaTax for Beverage Alcohol transaction, against a third-party provided identity verification database.

   a. **Fees**. Customer shall pay the fees set forth in the Order Document signed by the Customer. Fees for usage of Avalara Age Verification are based on Customer's usage of Avalara Age Verification. Avalara reserves the right to bill Customer a monthly minimum Avalara Age Verification fee ("***Minimum Age Verification Fee***").

   b. **Permitted Uses**. Customer will only use the Age Verification Service for the purpose of checking age in connection with an AvaTax for Beverage Alcohol transaction. Customer will not use Avalara Age Verification (i) for any "permissible purpose" under the Fair Credit Reporting Act (15 U.S.C. Sec. 1681 et seq.) ("***FCRA***") or use any of the information it receives through Avalara Age Verification to take any "adverse action," as that term is defined in the FCRA; (ii) in violation of the provisions of and regulations pursuant to the Drivers Privacy Protection Act (18 U.S.C. Section 2721 et seq.); (iii) other than pursuant to an exception of the privacy provisions of and regulations issued pursuant to the Gramm-Leach-Bliley Act (15 U.S.C. Sec. 6801 et seq.) ("***GLBA***"); (iv) in violation of any Applicable Laws related to the collection and disclosure of scanned state issued identity documents and, where required by Applicable Law, will obtain appropriate consent from any individual who submits their data to Avalara Age Verification; or (v) in violation of such other future legislation that Avalara determines limits the use of Avalara Age Verification.

   c. **Review**. For so long as Customer is receiving Avalara Age Verification, and for one year

after that, Avalara will have the right at its expense to review, via Customer's responses to a questionnaire, Customer's compliance with the terms of the Agreement as it relates to Avalara Age Verification. Such review may be conducted during normal business hours upon 48 hours written notice.

d. **Third Party Data Providers**. Customer acknowledges that the provision of Avalara Age Verification depends on data being provided by third party data providers. Avalara is not responsible for any such data providers and will not be liable for their failure or inability to provide such data elements. AVALARA DOES NOT WARRANT THE ACCURACY, INTEGRITY, OR COMPLETENESS OF CONSUMER OR OTHER DATA UTILIZED, STORED, OR TRANSMITTED AS PART OF THE SERVICES. If Avalara's agreement with such third-party data provider is terminated for any reason, Customer acknowledges that Avalara may not be able to provide Avalara Age Verification. In such case, as Customer's sole and exclusive remedy, Avalara will refund prepaid, unused fees for the remainder of the Avalara Age Verification subscription term.

e. **Deviations from the Terms**. For Avalara Age Verification for Beverage Alcohol:

    i. **Uptime Statistics**. Avalara may elect not to provide uptime statistics.

    ii. **Planned Downtime**. Avalara will provide at least two days' notice of planned downtime.

7. **Avalara Cross-Border Estimated**.

    a. Customer shall provide Avalara with a valid country-specific HS code per line item to calculate customs duties.

    b. If Customer does not provide a valid HS code for an item in an API call to the Service, (i) Avalara will identify a set of probable HS codes for duty and import tax calculation using a Customer-configurable strategy (for example, a min/max/avg approach); or (ii) Customer shall provide a sufficient natural-language description for each item and the information specified in the Documentation or otherwise reasonably requested by Avalara to perform the Service.

    c. Fees for Avalara Cross-Border Estimated are based on the number of individual API calls to Avalara Cross-Border Estimated.

    d. **License**. Avalara grants Customer a limited, nonexclusive, nontransferable, nonassignable, worldwide license to use and retain the Content that is returned by the Services to Customer solely for its internal compliance purposes (i) in connection with the specific API call for which it was provided or (ii) aggregated with other content to produce a tax return or similar filing for Customer.

    e. **Deviations from the Terms**. For Avalara Cross-Border Estimated:

        i. **No Automatic Upgrade**. Customer's Avalara Cross-Border Estimated subscription will not be automatically upgraded to the next highest subscription tier.

        ii. **Uptime Statistics**. Avalara may elect not to provide uptime statistics.

8. **Avalara Shipping Verification for Beverage Alcohol**. "*Avalara Shipping Verification*" means the feature of AvaTax for Beverage Alcohol where Avalara checks Customer's beverage alcohol transactions against a database of shipping rules and restrictions. Avalara has no duty to provide an update if applicable limits change after Avalara provides a determination, including for a future shipping date. Customer may not use determinations for any purpose other than checking its own beverage alcohol shipping compliance.

9. **Avalara Edge for AvaTax**. "*AEA*" means a copy of AvaTax software provisioned in agreed location(s).

a. **License**. If Avalara gives Customer a copy of AEA to install, Avalara grants to Customer a limited, revocable, nonexclusive, nontransferable, nonsublicensable, nonassignable, worldwide license for Customer to install AEA solely in object code format and solely for internal business use in agreed locations.

b. **Pricing**. Except as otherwise provided in the Order Document, Customer will pay an annual subscription fee for AEA consisting of (i) a base service fee; and (ii) a service fee based on the number of copies of AEA provisioned for Customer. Customer must subscribe to AvaTax to use AEA. Customer's AEA usage tier must be the same as Customer's AvaTax usage tier, and usage of AEA will be charged against Customer's AvaTax subscription.

c. **Restrictions**. In addition to the restrictions in the Terms (including Section 2(h) (*Restrictions*)), Customer shall not (i) merge, interface, or incorporate the Avalara Technology into or with other software; (ii) install AEA in more than the number of locations shown on the Order Document; or (iii) interfere or attempt to interfere in any manner with the functionality or proper working of AEA (including by preventing Updates, Upgrades, or the transmission of Customer Data to Avalara) or otherwise take action that prevents AEA from working as described in the Documentation. Customer has no right under the Agreement to receive, use, or examine any source code or design documentation relating to AEA or any other Avalara Technology.

d. **System Requirements**. Customer is responsible for the purchase, licensing, and upgrading of all hardware, computer operating system, software, and other Third-Party Applications necessary to install and properly operate AEA as detailed in the then-current Documentation (the "***System Requirements***"). Avalara is not obligated to ensure that AEA is compatible with any hardware, operating system, software, or other Third-Party Application other than those specified in the System Requirements.

e. **Updates and Upgrades**.

    i. Avalara may from time-to-time release updates, modifications, and corrections to AEA ("***Updates***") or new versions or releases that include significant function and feature enhancements ("***Upgrades***"). Updates and Upgrades may include, without limitation, updates to transaction taxes and certain fees and surcharges on the sale of goods and services, including sales, use, and value added taxes, other modifications reflecting changes in laws or regulations, virus updates, security patches, bug fixes, error corrections, other maintenance releases, or function or feature modifications or enhancements. The determination of whether and when to release Updates or Upgrades, and whether a version of AEA released by Avalara is an Update or an Upgrade, will be made by Avalara in its sole discretion.

    ii. Avalara may make Updates and Upgrades available for download by Customer. Customer is solely responsible for verifying that Updates and Upgrades are applied. Not installing an Update or Upgrade may result in functionality issues, security risks, noncompliance with then-current transaction tax rates, laws, or regulations, diminishment of Avalara's technical support capability, response times or other service level metrics, and other issues that could negatively affect Customer. Avalara reserves the right to charge additional fees for any technical support provided to Customer for the installation of Updates and Upgrades.

f. **Support**. Except as otherwise specified in a written agreement between Avalara and Customer: (i) in order to receive technical support for Avalara Edge for AvaTax, Customer must have installed all Updates and Upgrades made available by Avalara and be current in its payment obligations to Avalara; and (ii) Avalara does not provide support for the use of AEA in connection with hardware or Third-Party Applications when the third-party provider does not provide standard support.

g. **Certification of Removal**. Within 10 business days after termination, Customer will provide written certification to Avalara that Customer has destroyed or overwritten all copies of AEA.

h. **Deviations from the Terms**. For AEA:

i. **Uptime Statistics**. Avalara will not provide uptime statistics or availability of AEA.

ii. **No Accuracy Guarantee**. The Accuracy Guarantee does not apply to AEA.