

Last updated May 1, 2023.

These Avalara for Energy and Avalara for Tobacco Supplemental Terms ("**Energy and Tobacco Terms**") govern Customer's use of Avalara Energy and Tobacco Services. These Energy and Tobacco Terms are in addition to, and incorporate by reference, the Avalara Service Terms and Conditions available at <https://www.avalara.com/terms> (the "**Terms**"). Any capitalized terms used in these Energy and Tobacco Terms and not defined have the meanings given in the Terms.

## 1. Definitions.

- a. "**Avalara AvaTax for Energy**" (formerly known as AvaTax Excise) means the Service for excise, sales, and use tax calculation for petroleum products only.
- b. "**Avalara AvaTax for Tobacco**" (formerly known as AvaTax Excise) means the Service for excise, sales, and use tax calculation for tobacco products only.
- c. "**Avalara Returns for Energy**" (formerly known as Avalara Returns Excise Enterprise) means the Service for providing signature-ready tax returns for petroleum products.
- d. "**Avalara Returns Reconciliation for Energy**" or "**Returns Recon for Energy**" means the optional add-on feature of Avalara Returns for Energy that allows Customer to configure and generate a general ledger report to self-assess for financial discrepancies before or after Returns are filed.
- e. "**Avalara Returns Reconciliation for Tobacco**" or "**Returns Recon for Tobacco**" means the optional add-on feature of Avalara Returns for Tobacco that allows Customer to configure and generate a general ledger report to self-assess for financial discrepancies before or after Returns are filed.
- f. "**Avalara Returns for Tobacco**" (formerly known as Avalara Returns Excise Enterprise) means the Service for providing signature-ready tax returns for tobacco products.
- g. "**Energy and Tobacco Services**" means the Services for Avalara AvaTax for Energy, Avalara AvaTax for Tobacco, Avalara Returns for Energy, Avalara Returns for Tobacco, Returns Recon for Energy, and Returns Recon for Tobacco.
- h. "**Jurisdiction**" means a U.S. state, district, or territory, or Canadian province, or country (as listed in an Order Document) in which Customer files Returns or calculates excise, sales, and use tax for petroleum or tobacco products.
- i. "**Return**" means all the excise tax returns, forms, schedules, and other filings for Customer (and, if applicable, its Affiliates) for a return code listed in the Order Document (and including, if applicable, a successor return code established by a Jurisdiction to succeed a return code listed in the Order Document), during the applicable Subscription Term.

## 2. Services.

### a. Customer Responsibilities.

- i. Customer is responsible for system configuration unless otherwise provided in an Order Document. Customer shall perform the tasks and provide the items and resources related to system configuration that Avalara may reasonably request. Any delays by Customer may result in delays in system configuration and delays in using the Service, which could result in penalties, fines, or other sanctions imposed by a taxing or similar authority. Avalara may extend its performance time commensurate with any Customer delay.
- ii. If Customer purchases Avalara Returns for Energy or Avalara Returns for Tobacco, the Service

will generate Returns for Customer's review and filing. Customer retains sole responsibility and liability for the accurate preparation and timely filing of the Returns.

- b. **Avalara's Responsibilities.** In addition to Avalara's responsibilities provided elsewhere in the Agreement, Avalara will give users at least 24 hours' written notice of any planned downtime via a banner or message within the system. To the extent practicable, Avalara will schedule planned downtime during the hours from 6:00 p.m. to 3:00 a.m. Pacific Time.

- c. **License.**

- i. For Avalara AvaTax for Energy and Avalara AvaTax for Tobacco, 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 transaction or query for which it was provided or (ii) aggregated with other content to produce a tax return or similar filing for Customer.
- ii. For Avalara Returns for Energy and Avalara Returns for Tobacco, 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 business purposes in connection with the specific Return for which it was provided.

- 3. **Fees for Avalara Returns for Energy and Avalara Returns for Tobacco.** Fees for Avalara Returns for Energy are based on Customer's platform type and the number and type of Returns or Jurisdictions purchased by Customer. Fees for Avalara Returns for Tobacco are based on Customer's platform type and the number of Returns or Jurisdictions purchased by Customer. Fees for each respective Service will increase at the level of Avalara's then-current pricing if Customer adds Returns.

- 4. **Fees for Returns Recon for Energy and Returns Recon for Tobacco.** Fees for Returns Recon for Energy and Returns Recon for Tobacco are based on the number and type of Returns purchased by Customer. Fees for each respective Service will increase at the level of Avalara's then-current pricing if Customer adds Returns.

- 5. **Fees for Avalara AvaTax for Energy and Avalara AvaTax for Tobacco.**

- a. **Fees.** Fees for Avalara AvaTax for Energy and Avalara AvaTax for Tobacco are based on Customer's platform type and the number of Jurisdictions purchased by Customer for the respective Service and will increase at the level of Avalara's then-current pricing if Customer adds Jurisdictions.
- b. **Transaction Pricing.** This Section 5(b) (*Transaction Pricing*) applies only to purchases of Avalara AvaTax for Energy and Avalara AvaTax for Tobacco made prior to January 1, 2021, with Documents specified on the Sales Order.

- i. **Document Calculations.**

- A. **Documents.** Fees for usage of Avalara AvaTax for Energy and Avalara AvaTax for Tobacco are based on the number of Documents recorded or altered in the Service by Customer. A "**Document**" is any record that is entered, uploaded, or otherwise recorded in Avalara AvaTax for Energy and Avalara AvaTax for Tobacco by Customer. Documents include, for example, unique 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 Avalara AvaTax for Energy and Avalara AvaTax for Tobacco, as will each subsequent alteration of the record. All such records will be considered Documents, regardless of the tax result generated by Avalara AvaTax for Energy and Avalara AvaTax for Tobacco, except for records on which no tax is calculated solely because the Customer has configured the Service to not

calculate tax on transactions in the jurisdiction of the destination address included on the record.

B. **Alternate Document Calculations.** In the situations described below, Avalara may use one of the following alternate calculations of Document usage to better capture Customer's use of Avalara AvaTax for Energy and Avalara AvaTax for Tobacco:

- I. If Customer does not uniquely identify all Documents (as defined above) to the Service in any billing month, the following calculations will be used to determine Document usage during that month:
  - a. Every 10 API calls to the excise tax calculation service will count as one Document; and
  - b. Every 100 invoice lines sent to the excise tax calculation service will count as one Document.
- II. If Customer does uniquely identify Documents to Avalara AvaTax for Energy and Avalara AvaTax for Tobacco in a billing month, but usage of the Avalara AvaTax for Energy and Avalara AvaTax for Tobacco APIs or the number of invoice lines submitted significantly exceeds ordinary usage in that month, the following calculations may be used to determine "Document" usage during that month (with the number of Documents counted against the subscription calculated as the sum of all the following):
  - i. Every 20 API calls to the excise tax calculation service will count as one Document;
  - ii. Every 200 invoice lines sent to the excise tax calculation service will count as one Document; and
  - iii. Every Document submitted.

The calculation in this subsection B(2) will be made at the end of each calendar month.

- ii. **Fees.** Fees are based on Customer's platform type, the number of Jurisdictions, and the Document subscription tier selected by Customer. Avalara will provide Customer use of Avalara AvaTax for Energy and Avalara AvaTax for Tobacco, as applicable, for the Jurisdictions and for the number of Documents in the Document tier set forth in the Order Document.
- iii. **Automatic Upgrades and Overages.** If applicable, Customer may choose one of two options if Customer exceeds the usage tier for Documents set forth in its Order Document: either payment of a per-Documents overage charge or automatic upgrade to the next subscription tier. At any time prior to exceeding the number of Documents in Customer's purchased subscription tier, Customer may change the selected option. Overage fees for the Initial Subscription Term will be charged at the rate specified in the Order Document, and in any Renewal Subscription Term, Avalara's then-current overage rates will apply.

## 6. Term and Termination.

- a. **Service Term.** The Initial Subscription Term for each Energy and Tobacco Service will commence on the Effective Date and will continue for a period of one year unless earlier terminated in accordance with the

Terms. Thereafter, the Agreement will automatically renew for successive additional one-year Renewal Subscription Terms unless (a) Customer provides written notice of non-renewal at least 30 days before the expiration of the then-current Subscription Term or (b) Avalara provides written notice of non-renewal to Customer at least 90 days before such expiration date. Customers must submit notice of non-renewal to Avalara in accordance with the instructions provided in the Documentation.

- b. **Data Export.** By default, Avalara AvaTax for Energy and Avalara AvaTax for Tobacco do not store transaction data ("**Document Data**"). Customer may opt to store up to 30 days of Document Data in Avalara's systems. Avalara Returns for Energy and Avalara Returns for Tobacco store up to 10 years of Customer Data. Upon a request from Customer received no later than 60 days after termination of an Energy and Tobacco Service subscription, Avalara shall either (i) provide Customer with limited access to the applicable Energy and Tobacco Service, at no additional cost and subject to the obligations and restrictions of the Terms, solely for the purpose of retrieving Document Data, if any, and any other Customer Data stored on Avalara's systems; or (ii) provide Customer with an export file of the Document Data, if any, and any other Customer Data stored on Avalara's systems in a commonly used format reasonably determined by Avalara and subject to Avalara's standard fees for such export. Avalara may, but shall have no obligation to, maintain or return Document Data or Customer Data more than 60 days after termination of the applicable subscription.