

These MatrixMaster Service-Specific Supplemental Terms (“**MatrixMaster Terms**”) govern Customer’s use of the MatrixMaster Service, Limited MatrixMaster Service, and Additional Services (as defined below). These MatrixMaster 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 MatrixMaster Terms and not defined have the meanings given in the Terms.

## 1. Definitions.

### a. Avalara Services.

- i. “**Additional Services**” means the services Avalara offers under these MatrixMaster Terms in addition to the MatrixMaster Service and the Limited MatrixMaster Service, including Bottle Deposit, E911 Service, File Review, Sales Tax Holiday Flagging, SNAP Flagging, and Tax Rates Service.
- ii. “**Bottle Deposit**” means the service for determining the deposit amount associated with eligible beverages in accordance with applicable states’ bottle deposit program.
- iii. “**E911 Service**” means the service for identifying Items subject to state E911 programs and providing the applicable fees or tax rates.
- iv. “**File Review**” means the service for reviewing Customer’s Item tax flag settings. The File Review Service Output will be delivered at the frequency set forth in the Order Document. Customer will provide the applicable files for review, and the delivery timeline of the File Review Service Output will be determined in Avalara’s sole discretion.
- v. “**Limited MatrixMaster Service**” means the service for determining whether Items are subject to sales tax. The Service Output for the Limited MatrixMaster Service will include only those Items that match to Avalara’s database at the time of Customer’s file submission. The Limited MatrixMaster Service is delivered on a one-time basis only, and Avalara will not provide updates in response to changes from applicable jurisdictions. If the Service Output of the Limited MatrixMaster Service is the subject of an audit by a taxing jurisdiction, Avalara will not provide information to Customer to substantiate the Service Output.
- vi. “**MatrixMaster Service**” means the service for determining whether Items are subject to sales tax, and any other determinations set forth in an Order Document in the jurisdictions identified in an Order Document.
- vii. “**Sales Tax Holiday Flagging**” means the service for determining Item eligibility for sales tax holidays.
- viii. “**SNAP Flagging**” means the service for determining product eligibility for the U.S. Department of Agriculture Food and Nutrition Services Supplemental Nutrition Assistance Program (SNAP).
- ix. “**Tax Rates Service**” means the service for determining tax rates and exemptions for tangible personal property (TPP) and food for home consumption (other than prepared meals that are subject to a meals tax) for particular Store Locations. The tax rates output generated by the Tax Rates Service will be: (i) based on the most recent list of Store Locations provided by Customer; and (ii) delivered monthly (but Avalara does not provide specific delivery dates). Avalara will use Store Location mailing addresses to determine tax rates. If Avalara is unable to validate a mailing address, Avalara will use the tax rates applicable to the ZIP code for such address.

b. **Other Defined Terms.**

- i. “**Customer Data**” has the meaning given in the Terms. Customer Data does not include the Service Output.
- ii. “**Item**” means (i) a Universal Product Code (UPC) or (ii) other unique product identifier that is preapproved in writing by Avalara.
- iii. “**Service Output**” means Content that is the resulting output generated by a Service provided under these MatrixMaster Terms. The Service Output is delivered in the format specified herein for the applicable Service or, if not specified, in a .csv file or other commercially reasonable format. If the applicable Service includes taxability determinations and Avalara cannot make a taxability determination for Items submitted by Customer, the Service Output may identify such Items as tangible personal property, unless otherwise instructed by Customer in writing.
- iv. “**Store Location**” means a store location with respect to which the Tax Rates Service is provided, provided such Store Location can be validated by Avalara. For purposes of these MatrixMaster Terms, each unique mailing address constitutes one Store Location, and each Store Location is identified by its name and mailing address.

2. **License.** Avalara grants a limited, nonexclusive, nontransferable, nonassignable, worldwide license to use and retain the Service Output solely for its internal compliance purposes in connection with the goods and services it sells.

3. **Services.**

a. **Customer Responsibilities.**

- i. Customer shall submit the Customer Data that Avalara requires in a .csv format or other format agreed to by the parties within 30 days after the Effective Date. For Ongoing Maintenance (as defined in Section 3(b)(ii) below), Customer’s Order Document will identify the frequency in which Customer is permitted to submit a file of Items (for example, if “monthly” is identified, Customer may submit only one file of Items per month and additional files will not be accepted). Any change to the frequency of Customer’s file submission must be preapproved in writing by Avalara in its sole discretion.
- ii. Customer shall provide Avalara with all requisite information to perform the Service and shall designate a single contact person to assist Avalara in identifying Items, and, if applicable, Store Locations. Each file Customer submits for review (other than for the Tax Rates Service) shall include: (A) for each Item, a name, UPC, or other product identifier and a detailed description; (B) the unit of measure associated with each Item’s size; (C) the department (including category and subcategory) associated with each Item; and (D) such other information or documentation as is requested by Avalara to perform the Service. Determinations that cannot be made by Avalara without further clarification from Customer will not be included in the Service Output unless Customer provides the requested information and/or documentation.
- iii. Customer shall not use the Services or the Service Output for the benefit of any third party. Customer shall not (i) reproduce, modify, create, or prepare derivative works of the Service Output; (ii) distribute, display, share, sell, rent, lease, or otherwise provide access to the Service Output; (iii) use the Services or the Service Output to operate any timesharing, service bureau, or similar business; or (iv) alter, destroy, or otherwise remove any proprietary notices within the Service Output.

b. **Avalara's Responsibilities.**

- i. **Initial Review.** If Customer purchases "**Initial Review**," Avalara will provide the Service and the Service Output on a one-time basis.
- ii. **Ongoing Maintenance.** If Customer purchases "**Ongoing Maintenance**," Customer may submit new Items as set forth in the Order Document, and Avalara will provide updates in response to changes from applicable jurisdictions but does not reexamine previously submitted Items for any ingredient, category, or mapping changes.
- iii. **Customer Support.** Avalara provides Customer support during regular Avalara business hours only.
- iv. **Audit Support.** Except as provided in Section 1(a)(v) (*Limited MatrixMaster Service*), if the Service Output is the subject of an audit by a taxing jurisdiction related to the Services, Avalara will provide information (to the extent available) to Customer to substantiate the Service Output. Avalara will not provide audit defense services.

4. **Term and Termination.** If Customer purchases Initial Review and Ongoing Maintenance, the Initial Subscription Term begins on the Effective Date and ends after 15 calendar months, and thereafter will automatically renew for successive additional 12-month Renewal Subscription Terms unless either Party provides notice of non-renewal in accordance with the Terms. If Customer purchases only the Initial Review, the Initial Subscription Term begins on the Effective Date, ends upon delivery of the Service Output, and will not automatically renew. For purchases of the Limited MatrixMaster Service, the Initial Subscription Term begins on the Effective Date and ends after 12 calendar months, and thereafter will automatically renew for successive additional 12-month Renewal Subscription Terms unless either Party provides notice of non-renewal in accordance with the Terms.

5. **Fees and Billing.** Fees for the Services are set forth in the Order Document.

- a. **Annual Billing.** Fees for the Initial Subscription Term are due upon execution of the Agreement. Avalara will invoice and Customer shall pay any annual fees at the beginning of the Initial Subscription Term and each Renewal Subscription Term, unless otherwise provided in an Order Document.
- b. **Fees.** Fees for the MatrixMaster Service are based on the number of Items submitted by Customer and the number of jurisdictions included in the Service. Fees for the Limited MatrixMaster Service are based on the number of Items submitted by Customer. Fees for Additional Services are as set forth in the Order Document. If during a Subscription Term Customer exceeds the number of Items or Store Locations set forth in the Order Document or adds additional jurisdictions, fees are subject to update by Avalara as described below.
- c. **Overages.** If Customer exceeds the maximum number of Items or Store Locations set forth in the Order Document, Avalara will charge an overage fee or adjust the annual fees, as applicable. During the Initial Subscription Term, overage fees will be charged at the applicable rate and frequency specified in the Order Document. In any Renewal Subscription Term, Avalara's then-current overage rates will apply.
- d. **Additional Jurisdictions.** If Customer adds jurisdictions during the Term, Avalara will charge a one-time setup fee and will increase the annual subscription fee. Additional jurisdictions will be charged at the applicable rate and frequency identified in the Order Document. In any Renewal Subscription Term, Avalara's then-current pricing for additional jurisdictions will apply. Avalara will have at least four weeks to add a new jurisdiction to the Ongoing Maintenance.

