

Please note that these updated Service-Specific Supplemental Terms will apply to your Avalara Service upon any upgrade or Service purchase made on or after October 15, 2025, and any renewal made on or after January 1, 2026.

These Avalara for Communications Service-Specific Supplemental Terms ("**AFC Terms**") govern Customer's use of one or both of Avalara's transaction tax calculation and return services for telecommunications products and services, including AvaTax for Communications and Avalara Returns for Communications ("**AFC Services**"). These AFC Terms are in addition to, and incorporate by reference, the Avalara Service Terms and Conditions available at <https://legal.avalara.com/terms> (the "**Terms**"). Any capitalized terms used in these AFC Terms and not defined have the meanings given in the Terms.

1. Definitions.

- a. "**Avalara Returns for Communications**" means the Service that uses the information from the tax calculation service used by Customer to produce and remit federal, state, and local AFC Returns.
- b. "**AvaTax for Communications**" means the Service for transaction taxes, surcharges, and fees calculated on telecommunications products and services.
- c. "**AFC Return**" means a standard tax compliance return or remittance prepared for one filing period for one Filing Entity.
- d. "**Billed Charges**" means the gross sum of fees and charges included in a Transaction.
- e. "**Taxes Calculated**" means the total of all taxes, surcharges, and fees in the compliance report (or a successor report that Avalara may designate by notifying Customer in writing) generated from Customer's usage of AvaTax for Communications (the "**Compliance Report**"). If no Compliance Report is generated, all taxes, surcharges, and fees calculated by the Service will be considered Taxes Calculated.
- f. "**Transaction**" means each transaction tax, surcharge, or fee calculation for a line item on an invoice, sales order, quote, or other document submitted electronically by Customer to AvaTax for Communications, irrespective of the calculation result, and, if applicable, each API call to Avalara requesting location information. A Transaction may be referred to on a Sales Order by the letter "T" when preceded by an amount.

2. **AvaTax for Communications Service Usage Calculations.** Fees for usage of AvaTax for Communications are based on one of three methods; the method applicable to Customer is based on Customer's Order Document. Avalara will calculate Customer's ratio of uncommitted Transactions to committed Transactions on a monthly basis by dividing the sum of uncommitted Transactions by the sum of committed Transactions during the month (the "**Monthly Commit Ratio**") which may be written as follows, "uncommitted Transactions: committed Transactions". If applicable, Avalara may perform any currency conversion to calculate usage on a monthly basis.

a. Billed Charges.

- i. Customer's usage of the Service will be calculated based on the following:

- A. If the Monthly Commit Ratio is less than 3:1, Customer's usage of the Service will be calculated based on Billed Charges for committed Transactions.
- B. If the Monthly Commit Ratio is greater than or equal to 3:1 and less than 20:1 then Customer's usage of the Service for that month will be calculated as the sum of Billed Charges for committed Transactions multiplied by the Monthly Commit Ratio divided by 3. For example, if Customer's Monthly Commit Ratio is 4.5:1, and the sum of the Billed Charges for committed Transactions is \$50,000, then the Billed Charges for that month will be revised to $\$50,000 \times 4.5 / 3 = \$75,000$.
- C. If the Monthly Commit Ratio is greater than or equal to 20:1, then Customer's usage of the Service will be calculated based on the larger

of either (A) Billed Charges for committed Transactions, or (B) Billed Charges for uncommitted Transactions.

- ii. If Customer makes subsequent alterations or recalculations of Transactions, the full amount of the Transaction will count each time.
 - iii. In addition to the foregoing, Avalara will calculate Customer's average Billed Charge per Transaction ("**Average Billed Charge Per Transaction**") on a monthly basis by dividing Billed Charges calculated pursuant to Section 2(a)(i) by either (A) the sum of Customer's committed Transactions for that month or (B) the sum of uncommitted Transactions for that month in the event Billed Charges for the month are calculated based on uncommitted Transactions (i.e. the Monthly Commit Ratio for that month is greater than or equal to 20:1), and usage of the Service will be calculated as follows:
 - A. If the Average Billed Charge Per Transaction is \$10.00 USD or greater, Customer's usage for that month shall be based on Billed Charges as calculated in Section 2(a)(i).
 - B. If the Average Billed Charge Per Transaction is less than \$10.00 USD, then Customer's usage of the Service that month will be calculated by multiplying the Billed Charges calculated in Section 2(a)(i) by \$10.00 divided by Customer's Average Billed Charges Per Transaction for that month. For example, if Customer's Billed Charges that month are \$50,000 and Average Billed Charges are \$5.00 then the Billed Charges for that month will be revised to $\$50,000 * \$10.00 / \$5.00 = \$100,000$.
 - iv. If Customer's Billed Charges exceed Customer's subscription tier during a Subscription Term, Customer shall pay overages based on the Order Document.
- b. **Taxes Calculated.** Customer's usage of AvaTax for Communications is calculated based on a percentage of the Taxes Calculated by the Service.
- i. If the Monthly Commit Ratio is less than 3:1, Customer's usage of the Service will be calculated based on Taxes Calculated for committed Transactions.
 - ii. If the Monthly Commit Ratio is greater than or equal to 3:1 and less than 20:1 then Customer's usage of the Service for that month will be based on Taxes Calculated for committed Transactions multiplied by the Monthly Commit Ratio divided by 3. For example, if Customer's Monthly Commit Ratio is 4.5:1, and the Taxes Calculated for committed Transactions is \$50,000, then the Taxes Calculated for that month will be revised to $\$50,000 * 4.5 / 3 = \$75,000$.
 - iii. If the Ratio is greater than or equal to 20:1, then Customer's usage of the Service will be calculated based on the larger of (a) Taxes Calculated for committed Transactions, or (b) Taxes Calculated for uncommitted Transactions.
- c. **Transactions.** Fees for usage of AvaTax for Communications are based on the number of Transactions used in AvaTax for Communications by Customer. Avalara calculates Customer's Transaction usage on a monthly or annual basis as indicated on Customer's Order Document. Customer shall pay overages on a per-Transaction basis for Transactions that exceed Customer's subscription tier in a Subscription Term.

3. Avalara Returns for Communications Service.

- a. **Account Setup.** Customer shall provide Avalara with all information requested by Avalara to establish and set up Customer's Account for Avalara Returns for Communications and produce the AFC Returns (the "**Filing Information**"). Filing Information includes: (i) a list of taxing jurisdictions for Customer's AFC Return preparation (the "**Filing Jurisdictions**"); (ii) the filing frequency for AFC Returns in each of the Filing Jurisdictions (the "**Filing Calendar**"); (iii) the entities (e.g., Customer or its Affiliate) for which Avalara will be preparing AFC Returns (each, a "**Filing Entity**") and which Filing Jurisdictions apply to each Filing Entity; (iv) tax registration numbers and login information for each Filing Entity in each Filing Jurisdiction sufficient to allow Avalara to identify and access each Filing Entity's account in that Filing

Jurisdiction (the “**Account Information**”); (v) copies of each Filing Entity’s previous filings in the Filing Jurisdictions, as requested by Avalara; (vi) completed power(s) of attorney for each Filing Entity, including the power of attorney described in Section 3(e)(i) (*Avalara Funding Account*) below, and (vii) any other information necessary to properly configure Customer’s Account and produce the AFC Returns. Customer authorizes Avalara to access Customer’s accounts using Customer’s Account Information. Customer is solely responsible for timely providing and maintaining accurate, complete, and current Filing Information, and Avalara has no obligation to audit, verify, correct, or maintain any Filing Information.

b. **Changes to Filing Information.** Customer shall review its Filing Information periodically and shall promptly communicate any changes to Avalara. Customer shall submit any changes to the Filing Information to Avalara by the deadline specified in the Documentation. Any changes received after the deadline specified in the Documentation will be implemented and become effective in the subsequent month.

c. **Tax Data.**

i. Customer is solely responsible for the accuracy and completeness of all the data necessary to properly complete AFC Returns (the “**Tax Data**”) and all Filing Information. Avalara does not audit, validate, or verify Tax Data. Customer shall provide the Tax Data in the format specified by Avalara or in a format agreed to by the parties in writing.

ii. If Customer uses AvaTax for Communications, Avalara will pull Customer’s Tax Data directly from AvaTax for Communications.

iii. If Customer uses a tax calculation system other than AvaTax for Communications:

A. Each month, Customer shall provide its Tax Data to Avalara in an electronic file supported by Avalara by the third calendar day of the month in which the AFC Return is due.

B. If Customer fails to provide the Tax Data by the third calendar day, Avalara may, in Avalara’s sole discretion, charge Customer an additional fee to expedite Customer’s AFC Return, file the AFC Return late, or decline to file Customer’s AFC Return in that month.

C. Avalara, in its sole discretion, may require Data Transformation Services. “**Data Transformation Services**” are Services where Avalara converts Customer’s transactional data that meets Avalara’s minimum transactional data requirements into a complete data set that permits import into Customer’s Account. Data Transformation Services are performed at Customer’s direction and expense, pursuant to an Order Document, and the resulting data set is part of Customer’s Tax Data.

d. **Tax Liability.** Customer will be able to view and approve Customer’s tax liabilities to Filing Jurisdictions, which are based on the Tax Data (each, a “**Tax Liability**”). Customer is solely responsible for the accuracy and completeness of Customer’s Tax Liability and may modify its Tax Liability up to the deadline specified in the Documentation for Returns to be filed in that month (“**Tax Liability Approval Deadline**”). Customer’s Tax Liability is updated daily to include new or edited data until the earlier of approval by Customer or the Tax Liability Approval Deadline. After the earlier of (i) Customer’s approval or (ii) the Tax Liability Approval Deadline, Customer’s Tax Liability is locked and deemed approved by Customer. Customer’s Account will display any tax amounts due (the “**Taxes**”) based on the approved Tax Liability. Customer acknowledges and agrees that its failure to provide accurate, current, and complete Account Information (for example, tax registration numbers) may limit Avalara’s ability to file Returns and remit Taxes.

e. **Funding.** In accordance with this Section 3(e), Customer shall timely make sufficient funds available to pay the Taxes for any applicable Return (“**Tax Funds**”) prior to the deadline specified in the Documentation. Avalara will not provide any Tax Funds. Notwithstanding any other provision of this Agreement, Customer shall defend, indemnify, and hold Avalara, its

Affiliates, and their respective officers, directors, employees, and representatives harmless from any Losses arising out of or related to Customer's failure to timely provide immediately available Tax Funds for Taxes due. For timely remittance of the Tax Funds to the applicable Filing Jurisdiction, Customer must do the following:

- i. **Avalara Funding Account.** Customer shall provide bank account information for a bank account (the "**Bank Account**") from which Customer authorizes Avalara to draw by ACH to pay Customer's Taxes and any applicable Avalara Returns fees and Expenses, by the deadline specified in the Documentation. Any interest earned on the Tax Funds accrues for the benefit and is the sole property of Avalara. Customer shall execute a limited power of attorney in the form requested by Avalara. Customer shall ensure the Bank Account is adequately funded to pay Tax Funds and, if applicable, Customer's Avalara Returns for Communications fees and Expenses, by the deadlines specified in the Documentation. If Customer fails to timely and adequately fund the Bank Account, Customer shall remit payment for the Taxes plus any interest or penalties that may accrue directly to the applicable Filing Jurisdiction. If the ACH payment Avalara draws from the Bank Account is cancelled or returned other than by Avalara, that will be considered a failure to timely fund the Bank Account. Avalara may suspend or terminate Customer's subscription to Avalara Returns for Communications immediately upon notice if Customer fails to timely and sufficiently fund the Bank Account, as applicable. Upon termination of Customer's subscription to Avalara Returns for Communications with no balance due, Avalara shall cease to use any power or authority granted by a power of attorney signed by Customer.
- ii. **Bank Authorization.** Customer authorizes Avalara to (1) withdraw the Tax Funds from Bank Account to pay the Taxes in accordance with the Scheduled Returns, including making any required prepayments; and (2) if applicable, withdraw Customer's Avalara Returns for Communications fees and Expenses.

f. Avalara Responsibilities.

- i. **Returns Preparation and Filing.** Avalara will prepare and file Returns for the Filing Entities and in the Filing Jurisdictions agreed by Avalara and Customer. Avalara may begin filing a Return as soon as Customer approves the related Tax Liability. Each (i) standard telecommunications and sales and use tax return filing, (ii) Non-Standard Form (as defined in Section 4(c)(ii) below), or (iii) prepayment mandated by a Filing Jurisdiction and submitted without (i) or (ii) prepared for one Filing Jurisdiction for one filing period will count as one "**Return.**"
- ii. **Funding.** Avalara will remit Taxes for the agreed-upon Filing Entities in agreed-upon Filing Jurisdictions, provided Customer has timely made Tax Funds available. Avalara shall not provide funds to pay Taxes. If Tax Funds are not timely available to Avalara for remitting, Avalara will file the Return(s) without payment where the Filing Jurisdiction permits filing a return without tax remittance.
 - A. Avalara will draw upon the Bank Account to pay the Taxes. Typically, these draws occur on or between the 6th and 8th day of the month but may occur without notice at any time after the Tax Liability Approval Deadline. Notwithstanding the foregoing, if Customer owes any prepayments to Filing Jurisdictions, the draw may occur earlier.
 - B. Each month, if applicable, Avalara will draw upon the Bank Account to pay Avalara Returns fees and Expenses due.
 - C. Avalara shall hold the Tax Funds in a trust account prior to disbursement to the applicable Filing Jurisdiction. Avalara holds all Tax Funds in trust for the benefit of the applicable Filing Jurisdiction and shall not commingle the Tax Funds with its general funds but may commingle the Tax Funds with funds held in trust on behalf of other Avalara customers. Any interest earned on the Tax Funds accrues for the benefit of and is the sole property of Avalara.

iii. **Carry-over Credits.** If a Filing Entity has a tax liability credit in Avalara's records (a "**Carry-over Credit**") due to a credit invoice corresponding to a particular Filing Jurisdiction, Avalara will apply the Carry-over Credit to the next Return for that Filing Entity in that Filing Jurisdiction with a liability equal to or in excess of the Carry-over Credit, provided that if it cannot be applied within the timeframe listed in the Documentation, the Carry-over Credit will expire and Customer must file an amended Return with the Filing Jurisdiction if it wishes to recover the liability associated with the credit invoice.

g. **Termination.** If the financial institution providing the Customer Bank Account instructs Avalara that Avalara must terminate this Agreement (for example, because Customer is conducting its business in violation of Applicable Law), Avalara may immediately terminate this Agreement upon written notice to Customer. In the event of such termination, Avalara will not refund any amounts to Customer.

Notwithstanding anything to the contrary in the Terms, the Subscription Term for Customer's Avalara Returns for Communication subscription will terminate on the last calendar day of the month in which the Subscription Term would otherwise have terminated under the Terms. Customer may instruct Avalara not to file Returns in that or any other month by revising its Scheduled Returns.

h. **Notice Management.** Customer will receive all notices relating to Customer's Returns directly from Filing Jurisdictions. Some notices are informational in nature (for example, changes to the Scheduled Returns or tax rate changes) while others are error notices relating to Returns. In the Documentation, Avalara provides recommended actions for Customers to resolve informational notices. During the Subscription Term, for any error notice relating to a Return filed or Taxes remitted by Avalara, Customer shall immediately, and not later than 10 business days after the date of such notice, electronically deliver such notice to Avalara. Such notice must be submitted by following the instructions in the Documentation. During the Subscription Term, Avalara will respond to notices for AFC Returns and Taxes remitted by Avalara. In the case of an error notice that Avalara determines is the result of the Customer's actions or inactions, if Customer asks Avalara to attempt to resolve the error notice, Avalara may charge an additional fee. In the case of notices received by Avalara more than 10 business days after the date of the notice, Avalara reserves the right to delay response or not to respond or, if Customer asks Avalara to expedite the notice response and Avalara agrees, to charge an additional fee. Customer is responsible for responding to or otherwise addressing all other notices. Avalara shall have no responsibility for any notice management upon expiration or termination of the Subscription Term.

4. **Pricing.** The pricing for AvaTax for Communications and Avalara Returns for Communications includes an annual subscription fee ("**Subscription Fee**") and usage-based fees for each Service.

a. **Subscription Fee.** Avalara will invoice Customer for the Subscription Fee at the beginning of the Initial Subscription Term and each Renewal Subscription Term.

b. **Usage Fees.** Avalara will invoice Customer for usage-based fees as set forth in the Order Document.

c. **Other Fees.**

i. **Registrations/De-Registrations.** If Customer requests to be registered or to have its registration cancelled in a tax jurisdiction, Customer shall pay a fee per registration or de-registration performed.

ii. **Non-Standard Forms.** If Customer requests (1) a form that is not offered by Avalara as a standard form; or (2) a standard form that requires non-standard modifications to the standard form (each a "**Non-Standard Form**"), Customer shall pay Avalara's then-current fee for preparation and filing of the Non-Standard Form.

iii. **Back Filings.** If Customer requests an AFC Return or Non-Standard Form be filed that is past due, Customer shall pay the per-AFC Return fee in addition to Avalara's fee for preparation and filing of the AFC Return or Non-Standard Form.

- iv. **Multiple Remittances.** If a taxing authority requires Avalara to remit Customer's AFC Return multiple times, each remittance will count as one AFC Return.
 - v. **Additional Fees.** If Customer fails to timely and completely provide accurate Filing Information, Tax Data, or Tax Funds, as applicable, or otherwise fails to fulfill any obligations under these AFC Terms, or if Customer requires a change to the standard process described in these AFC Terms, Avalara may charge Customer additional fees. For example, Avalara may charge a fee: (i) if Customer does not provide Tax Funds prior to the deadline; (ii) for Avalara to unlock Customer's Tax Liability after it has been approved by Customer; (iii) for Avalara to change or reconcile requests received after the Tax Liability Approval Deadline; (iv) for Avalara to change the funding process because Customer has not timely funded the Bank Account; or (v) for Avalara to make a change to Customer's Tax Liability, Filing Information, Return(s), Tax Data, Tax Funds to be remitted, or any other standard process.
5. **AFC Returns Guarantee.** Avalara provides a guarantee of the timeliness of AFC Returns prepared and filed through Avalara Returns for Communications (the "**AFC Returns Guarantee**") under the following terms:
- a. If Customer receives a notice of late filing, failure to file, or a failure to remit Taxes that results in liability for penalties or interest due solely to Avalara's failure to timely prepare and file an AFC Return it was obligated to file or timely remit Taxes it was obligated to remit (an "**Avalara Error**"), Avalara will pay Customer the lesser of either: (i) the amount of the penalties and interest that directly result from the Avalara Error, as specified in the final assessment notice received from the applicable Filing Jurisdiction after all administrative appeals and abatement options are exhausted, or (ii) the amount of AFC Return fees paid by Customer during the month in which the Avalara Error occurred (as calculated in accordance with subsection (c) below).
 - b. The following limitations apply to the AFC Returns Guarantee:
 - i. Customer must have met its obligations under the Terms and these AFC Terms, including providing and maintaining accurate, complete, and current Filing Information and Tax Data; timely and sufficiently providing all Tax Data and Tax Funds; and timely paying AFC Returns fees. To the extent the Avalara Error was caused by Customer's failure to perform any of its obligations in these AFC Terms or the Terms, the AFC Returns Guarantee will not apply.
 - ii. Customer must not have requested changes to Customer's Tax Liability after the Tax Liability Approval Deadline.
 - iii. Customer must promptly forward any notices and relevant information from the Filing Jurisdiction within 10 days of the date of the notice.
 - iv. Customer must assist Avalara in challenging the Filing Jurisdiction's findings if Avalara deems it appropriate in Avalara's sole discretion.
 - v. Customer must assist Avalara's efforts to abate or reduce the amount of penalties and/or interest imposed by the Filing Jurisdiction.
 - c. For purposes of calculating the amount of the AFC Returns fees paid that are eligible for the AFC Returns Guarantee payment, the amount will be the fees actually paid by Customer to Avalara for AFC Returns during the month in which the Avalara Error occurred. For clarity, the parties acknowledge that fees paid for AFC Returns do not include any fees paid for ancillary Professional Services or any other one-time fees.
 - d. If the audit implicated other issues in addition to the alleged Avalara Error, the amount to be paid by Avalara under this AFC Returns Guarantee will be the percentage of the final assessment amount equal to the percentage of the final assessment related to the alleged Avalara Error.
 - e. Avalara shall make the AFC Returns Guarantee payment to Customer within 30 days after the date that Avalara receives the final assessment notice from the applicable Filing Jurisdiction,

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 Avalara Error will cease on the date of the payment.

- f. Customer must have a current AFC Returns subscription in good standing when the claim is submitted to Avalara to be eligible to receive payment under this AFC Returns Guarantee.

6. **Compliance with NACHA Operating Rules.** The funding process described in Section 3(e) (*Funding*) of these AFC Terms may be subject to the Operating Rules of NACHA, the organization that regulates the ACH network in the United States.

- a. To the extent that Customer's funding is governed by the NACHA Operating Rules, Customer specifically agrees to the following NACHA requirements:
 - i. Customer will comply with all applicable requirements under the then-current version of the NACHA Operating Rules;
 - ii. Customer authorizes Avalara to originate the funding requests described in Section 3(e) (*Funding*); and
 - iii. Customer will comply with the laws of the United States in providing such funding.
- b. In addition to any other applicable termination rights, Avalara may terminate the Agreement for Customer's non-compliance with the NACHA Operating Rules if such breach or non-compliance is not cured within 10 days of Avalara first notifying Customer of its non-compliance.
- c. Avalara has the right to audit Customer's funding process, at a time and location mutually agreeable to both Customer and Avalara, to ensure compliance with the NACHA Operating Rules and the Agreement.