

Below is a high-level summary of changes made effective January 1, 2027. This summary is provided for reference purposes only and is not a complete list of changes. You should review the updated Avalara Service Terms and Conditions and any Service-Specific Supplemental Terms that are applicable to your Service(s).

- Restructured and expanded the artificial intelligence functionality provision, including narrowing it to generative artificial intelligence, extending the commitment not to use customer data to train artificial intelligence models to include Customer Output, and adding a disclaimer regarding the availability of AI functionality
- Allocated responsibility for third-party and customer-configured artificial intelligence systems and automated tools ("Customer Agents") that customers connect to Avalara's platform to the customer
- Moved the use of Customer Data and Aggregate Data provisions into the proprietary rights section and extended the permitted use provision to Customer Output
- Clarified the privacy and security section, including relocating the data processing agreement reference and removing provisions addressed elsewhere in the Terms
- Committed that Avalara will not destroy or overwrite Customer Data during a suspension period, and clarified the service suspension provision
- Provided that if Avalara terminates for a customer's material breach, the customer pays any unpaid fees for the remainder of the then-current subscription term
- Added a 10-day period following termination or expiration during which customers may retrieve their data at no additional cost
- Moved the payment disputes provision into the fees and taxes section
- Addressed subscription tier upgrades during a multiyear contract
- Added a withholding tax provision
- Changed the modifications provision so that, during a subscription term, Avalara may modify the service terms only where necessary to comply with applicable law, and removed the related mid-term termination right
- Provided that modifications to the Acceptable Use Policy or Service-Specific Supplemental Terms cannot change a party's limitation of liability or indemnification provisions
- Clarified the exclusion of certain claims and limitation of liability provisions, including the indemnification carve-outs
- Added a new export controls and sanctions provision
- Permitted Avalara to terminate a service purchased through a distributor if the customer's account is inactive for 12 months