

REFERRAL PARTNER AGREEMENT

This Referral Partner Agreement is between Avalara, Inc., a Washington Corporation, (“**Avalara**”) and the counterparty who has agreed to the terms of this Referral Partner Agreement (“**Partner**”). This Referral Partner Agreement, together with the General Terms and Conditions for Avalara’s Partner Programs (located at <http://partners.avalara.com/partnergeneralterms>) (the “**General Partner Terms**” and, together with this Referral Partner Agreement, the “**Agreement**”), governs Avalara’s offering of the Referral Program, as described below (this “**Program**”) and Partner’s participation in the Program. To the extent that the terms and conditions in this Referral Partner Agreement conflict with the General Partner Terms, the terms and conditions in this Referral Partner Agreement will govern. Terms not defined in this Referral Partner Agreement are defined in the General Partner Terms.

By clicking “I accept” on the enrollment page for this Referral Partner Agreement, Partner agrees to the terms of the Agreement, and applies to participate in the Program. The Agreement will become effective upon Avalara’s acceptance of Partner’s application to participate, and Partner will be eligible for Commission attributable to Referral Clients submitted by Partner after such acceptance (“**Effective Date**”). Avalara reserves the right to reject any application, with the result that the Agreement will not become effective.

1. **Definitions.** The capitalized terms used herein have the meanings set forth below:
 - 1.1. “**Commission**” means the amounts payable to Partner by Avalara as compensation for a Referred Client’s purchase of Avalara’s Services. The amount of Commission payable will be determined in accordance with Section 2 below and Exhibit A attached hereto.
 - 1.2. “**Referred Client**” means a customer (other than Partner), who purchases Avalara’s Services as a result of being referred to Avalara by Partner.
 - 1.3. “**Service**” means the software and/or service provided to a Referred Client by Avalara. A complete list of Avalara offerings that are considered Services under this Agreement is contained in **Exhibit A**.
2. **Commission.** Avalara will pay Partner a percentage of the amounts attributable to a Referred Client’s purchase of Avalara’s Services according to the terms of this Agreement
 - 2.1. **Commission Eligibility.** To be eligible to earn the Commission, the following conditions must be met:
 - 2.1.1. Partner must provide Avalara with the Referred Client’s contact information through the Partner Portal, directly to the Avalara marketing and sales team, or through other means specifically defined by Avalara;
 - 2.1.2. The Referred Client’s purchase must not have been ordered through a third party (such as an Avalara reseller or distributor);
 - 2.1.3. At the time Partner submits the Referred Client to Avalara, the Referred Client must not be currently entered into Avalara’s lead and customer management system as an active opportunity;
 - 2.1.4. The Referred Client must purchase Services from Avalara within six months of the initial referral by Partner;
 - 2.1.5. Avalara must have received full payment of all applicable fees from the Referred Client.
 - 2.1.6. Referred Client’s right to a refund must have expired (*typically, the right to refund expires after 60 days*).

2.1.7. Any submission of a potential Referred Client's contact information must be made in good faith based on Partner's actual contacts with the Referred Client; and

2.1.8. If two or more Avalara partners refer the same Referred Client to Avalara within a six-month period, the first partner to submit the Referred Client will earn the Commission unless (i) the referral by the first partner is "closed" in Avalara's systems due to inability to complete a sale, and (ii) the eventual sale is the direct result of subsequent referral that occurs after the opportunity is "closed,"

2.2. Calculation.

2.2.1. Commission is based on the percentage set forth in Exhibit A of "**Net Revenue**", which is defined as the gross amount invoiced by Avalara to the Referred Client for the first year's fees for the Services, calculated using the Referred Client's sales order effective date, less credited charges, refunds, charge backs, or invoice adjustment. Net Revenue excludes: (a) charges to a Referred Client for exceeding its Avalara subscription plan level (*such as exceeding the number of transactions or returns included in a subscription plan*); (b) charges in connection with a change made to a Referred Client's Avalara subscription plan during its subscription term; (c) postage, fax, insurance, or other administrative charges; and (d) any taxes, interest, fines, or other charges or assessments imposed or levied by a governmental agency.

2.2.2. If Partner receives Commission under this Agreement, Partner will not be eligible to receive Commission under any other Avalara partner program for the same order of Services.

3. Marketing.

3.1. Partner Business Plan. The Parties will collaborate to establish a detailed marketing and sales plan ("**Partner Business Plan**") to promote the Service within 90 calendar days after the Effective Date and will review and revise the Partner Business Plan on an annual basis thereafter. As part of the Partner Business Plan, Avalara and Partner will: (a) participate in regular reviews of the business and the marketing activities in the Partner Business Plan, and (b) permit Avalara and third parties to promote and make available the Service to potential Referred Clients.

3.2. Leads. Provided Partner has the rights to share Leads, Partner will submit all Leads generated through co-funded/co-sponsored promotion and marketing activities to Avalara through the Partner Portal and/or other reasonable means as determined by Avalara in its sole discretion and communicated to Partner by thirty (30) days' advance notice prior to submitting through a different means. Avalara and Partner will use commercially reasonable efforts to qualify Leads as potential Avalara customers and convert Leads into Referred Clients that purchase Services. If Avalara receives contact information from third parties that Avalara reasonably believes may have an interest in purchasing services from Partner's services ("**Partner-Leads**"), then, provided Avalara has the rights to share Partner Leads, Avalara will submit all Partner-Leads generated through co-funded/co-sponsored promotion and marketing activities to Partner through reasonable means as determined by Partner in Partner's sole discretion and communicated to Avalara by thirty (30) days' advance notice prior to submitting through a different means. Avalara and Partner will use commercially reasonable efforts to qualify Partner-Leads as potential mutual customers that purchase Partner's services. Nothing herein requires either party to share Leads or Partner-Leads that it receives from sources other than co-funded or co-sponsored promotion and marketing activities.

3.3. Training. The Parties will collaborate to establish a training program whereby each Party will train the other regarding the use, operation, and support of such party's services. The Parties will use commercially reasonable efforts to ensure that its marketing and sales staff undergo any applicable training available within sixty (60) business days of the Effective Date.

3.4. Links and Images.

3.4.1. Avalara shall make available to Partner a variety of graphic and textual images (“*Avalara Images*”) that serve to identify Partner as a member of this Program and that may be used in hypertext links from Partner’s website to Avalara’s website (“*Avalara Links*”) and for marketing the Services. Partner may, subject to the terms and conditions herein, display Avalara Links as often and in as many areas on Partner’s website as Partner desires; however, the Avalara Links must land on the page on Avalara’s website designated by Avalara. Partner shall not use Avalara Images or Avalara Links to direct traffic to any other web site or page. Partner shall cooperate fully with Avalara in establishing and maintaining Avalara Links. Partner shall only display Avalara Images provided to Partner by Avalara. Avalara may change or remove Avalara Images from time to time in its sole discretion, and Partner shall promptly update its website and any affected Avalara Links.

3.4.2. Partner shall make available to Avalara a variety of graphic and textual images (“*Partner Images*”) that serve to identify Avalara as your partner and that will establish hypertext links from Avalara’s website to Partner’s website (“*Partner Links*”) and for Avalara to use in marketing Partner’s services. Avalara may, subject to the terms and conditions herein, display Partner Links as often and in as many areas on Avalara’s website as Avalara desires; however, Partner Links must land on the page on Partner’s website designated by Partner. Avalara shall not use Partner Images or Partner Links to direct traffic to any other web site or page. Avalara shall cooperate fully with Partner in establishing and maintaining Partner Links. Avalara shall only display Partner Images provided to Avalara by Partner. Partner may change or remove Partner Images from time to time in its sole discretion, and Avalara shall promptly update its website and any affected Partner Links.

3.4.3. Each party may add codes (“*Business Partner Codes*”) to its own graphic and textual images and links to identify the other party as the originator of any Lead or Partner-Lead on the condition that Business Partner Codes do not, in any way, alter the look, feel, or functionality of the other’s website(s). Neither party shall modify the Business Partner Codes added by the other party

3.4.4. If a party wishes to create, publish, distribute, or permit any other material that makes reference to the other party, such party must first obtain the other’s express written consent, which may be granted or withheld in its sole discretion.

4. Fees and Payment.

4.1. Payment. Avalara will pay Commission payments (“*Payment(s)*”) within 30 days from the end of the calendar month in which Avalara invoiced the Referred Client. For example, if Avalara invoices a Referred Client for a commissionable sale in May, Avalara will pay Partner Commission based on such invoice by June 30th. Avalara will track commissionable sales to Referred Clients and make those reports available to Partner. The form, content, and frequency of the reports may vary from time to time in Avalara’s sole discretion.

4.2. Offsets and Refunds. Subject to Section 4.4 (Claims) below, Avalara may deduct or offset amounts owed by Partner to Avalara from any Payments. For example, if any amount is paid to Partner in error, Avalara may deduct such erroneously paid amount from subsequent Payments. If a Referred Client does not pay the invoiced amounts or a refund is issued to a Referred Client, and a Commission was previously paid to Partner based on the amount that was invoiced, Avalara may offset the amount of the Commission paid on the unpaid Referred Client invoice or refunded amount from a future Payment. If the amount owed by Partner under this section exceeds the Payments owed to Partner, Partner will pay Avalara such excess amount owed within 30 calendar days of the date of Avalara’s invoice.

4.3. Taxes. Each Party will be responsible for any taxes on property it owns or leases, for any franchise or privilege tax on its business, and for any tax based on its income or gross receipts. If withholding of any tax is required under applicable law in respect of any payment by Avalara to Partner hereunder, Avalara will: (a)

withhold the appropriate amount from such payment, and (b) remit such amount to the relevant authorities in accordance with applicable laws.

- 4.4. Claims.** Any claim for any unpaid, underpaid, or overpaid Commission made by either Party must be submitted to the other Party in writing within three months after the end of the calendar year in which the event giving rise to the claim occurred. Following the expiration of that three-month period, each Party agrees to waive any and all rights to assert a claim for such unpaid, underpaid, or overpaid Commission.
- 5. Term.** The initial term of this Agreement will begin on the Effective Date and will continue for one year, to the first anniversary of the Effective Date (the “*Initial Term*”). At the end of the then-current Initial Term or Renewal Term, this Agreement will automatically renew for an additional one-year period (a “*Renewal Term*”) unless either Party provides written notice of non-renewal to the other Party at least 30 calendar days’ prior to the expiration date of the then-current Initial Term or Renewal Term. The Initial Term and each Renewal Term are collectively referred to as the “*Term*”.
- 6. Modification.** Except as may otherwise be provided in this Agreement, Avalara may modify this Program, including, for example, Exhibit A attached hereto. If Avalara modifies this Program, it will provide written notice to Partner of those modifications at least 30 days prior to the effectiveness of the modifications.
- 7. Termination.**

 - 7.1. For Convenience.** Either Party may terminate this Agreement at any time, with or without cause, by giving the other party written notice of termination. Partner is eligible to earn Referral Commissions only for orders that are placed by Referred Clients during the Term, and Referral Commissions earned through the date of termination will remain payable only if the orders are not canceled or returned. Avalara may withhold Partner’s final payment for a reasonable time to ensure that the correct amount is paid.
 - 7.2. Material Breach.** Either Party may immediately terminate this Agreement for cause by giving written notice of termination to the other if the other Party breaches any of its material obligations under this Agreement and does not cure the breach within 30 calendar days after the non-breaching Party gives written notice to the breaching Party.
 - 7.3. Effect of Termination or Expiration.** Except as otherwise provided in this Agreement, upon termination or expiration of this Agreement:

 - 7.3.1.** All rights and licenses granted under this Agreement will immediately cease;
 - 7.3.2.** Each Party will immediately stop using and either destroy or delete any Confidential Information (*as defined in the General Partner Terms*) provided by the other Party under this Agreement; and
 - 7.3.3.** Those provisions of this Agreement that by their nature should survive termination or expiration will survive, including, but not limited to, ownership provisions, confidentiality, disclaimers, indemnities, and limitations of liability.

Exhibit A: Commissions Rates Table

Calendar Year Referrals	Commission Rate ⁽¹⁾
Net Revenue of \$1 - \$25,000	20%
Net Revenue of >\$25,001	40%

⁽¹⁾ Once a Partner refers \$25,000 in Net Revenue during a calendar year, the Referral Commission Rate will increase to 40% (“**Accelerated Rate**”) for all eligible transactions attributable to Partner that exceed the \$25,000 Net Revenue threshold for the remainder of the calendar year and for the next calendar year (“**Accelerated Rate Period**”). Partner will continue to receive the Accelerated Rate beyond the Accelerated Rate Period, provided that Partner refers at least \$25,000 in Net Revenue during each subsequent calendar year. In the event Partner refers less than \$25,000 in Net Revenue during a subsequent calendar year, the Referral Commission Rate will reset to 20% on the first day of the next calendar year following the year in which the Partner refers less than \$25,000 in Net Revenue.

Commission Eligible Products:

Product	Item
AvaTax	Activation
	Service
	AvaTax Exemption
	Consumer Use Tax (Primary and Additive)
	Platform
CertCapture	Activation
	Service
Avalara Returns	Activation
VAT Reporting	Service
VAT Expert	Service
Avalara for Communications	Annual Subscription
Avalara Excise	Returns Excise Service
	AvaTax Excise Service
	Returns Excise Pro Service
	AvaTax Excise Pro
Content	AvaRates
	ISPI Rates Table
	Avalara MatrixMaster
Support	Support