

Sales and Use Tax - Essentials with Managed Services – Sovos Filing

This Data Sheet describes the following Cloud Solutions and Services to be provided by Sovos Compliance, LLC (“Sovos”) to the customer named on an applicable Order Form (“Customer”) in accordance with this Data Sheet:

- **Sovos Global Tax Determination (Cloud)** – A cloud-based indirect tax (sales, goods and service tax) determination solution that is powered by global content and that automatically calculates taxes for sales and rentals in real time when integrated with customers’ ERP transaction systems or in batch format for a deferred calculation requirement.
- **CertManager** – A cloud solution that automates the management of sales exemption certificates and is integrated to the Sovos Tax Determination engine to facilitate transaction processing. In addition to collecting, storing, and retrieving exemption certificates, CertManager identifies expiring or expired exemption certificates, and missing or invalid certificates.
- **Managed Services – Sovos Filing – Professional** – A service provided by Sovos’ managed services team that includes sales and use tax return preparation, filing and payment remittance on behalf of customers to US state and local government agencies as well as management of agency notices related to use tax returns and remittance.

1 DEFINITIONS.

1.1 **“Exemption”** means a jurisdictionally specific claim of tax exemption stored against an individual purchaser. One multi-jurisdictional Certificate can carry multiple exemptions.

1.2 **“Return”** occurs each time a tax form is delivered to a tax authority for each of Customer’s (i) legal entities; and (ii) individual business locations, where required.

1.3 **“Standard Adapter”** means software developed and made generally commercially available by Sovos for the purpose of integrating the Software.

1.4 **“System”** means the Software and Sovos Data.

1.5 **“Transaction”** means any time the System executes a tax calculation for Customer.

2 **INTEGRATION AND ADAPTERS.** Customer is solely responsible for data mapping. Customer may purchase the right to use a Standard Adapter, if available from Sovos. Customer’s use of such Standard Adapter is subject to all terms and conditions of the Agreement. If no Standard Adapter is available or purchased by Customer, Customer is responsible for: (i) developing and maintaining the adapter; and (ii) updating the adapter to be compatible with new releases of the System and Customer’s Application. Sovos can provide adapter services on a time and materials basis pursuant to the Professional Services provisions of this Governing Agreement. **SOVOS PROVIDES NO WARRANTY, SUPPORT OR MAINTENANCE FOR ANY NON-STANDARD ADAPTER.**

3 Access and use of the Cloud Solution may require certain components of the Software to be installed in Customer’s data center. In such event, use of such components of the Software installed in Customer’s data center will be limited to Customer’s Access and use of the Software and subject to the restrictions on use set forth in the Governing Agreement and any applicable Data Sheets.

4 Customer is solely responsible for any liabilities, penalties, or interest related, but not limited to, (i) the proper application of sales, use and value-added tax, (ii) the proper determination of Customer’s nexus to any jurisdiction, (iii) the applicability of taxes for Customer’s products and services, (iv) use tax determination and calculation, (v) determination of exempt sales applicable to Customer’s transaction, (vi) Customer’s failure to perform any obligation or responsibility under the Agreement.

5 MANAGED SERVICES – SOVOS FILING – PROFESSIONAL

5.1 **Sovos Responsibilities.** Sovos will (i) prepare Returns for Customer using transactional data from the applicable filing period transmitted from Customer to Sovos; (ii) mail or electronically submit the Returns to the

applicable taxing jurisdiction on behalf of Customer; and (iii) remit Customer’s taxes due for any Returns prepared and filed by Sovos to the applicable taxing jurisdictions. Sovos will perform the Managed Services in accordance with the provisions of the Governing Agreement, Sovos’ policies and procedures, and any additional documentation as required by Sovos, including client account agreements and/or powers of attorney. Customer expressly authorizes Sovos to submit tax filings and make tax payments on Customer’s behalf. Sovos shall retain copies of each Return filed for Customer by Sovos for a period of three (3) months from the date of filing the Return to the applicable taxing jurisdiction. During the three (3) month period set forth above, Sovos will make copies of all such Returns available to Customer. Customer will be solely responsible for retaining such copies in accordance with applicable statutory and regulatory requirements. Sovos is not acting as a financial institution and is not a party to the transactions between Customer and its customers. Sovos will initiate debits from Customer’s designated bank account for the funding of all of Customer’s tax payments in accordance with the client account agreement and Sovos’ policies and procedures for the Managed Services offering Customer purchases. The Managed Services provided hereunder will be based upon information provided to Sovos by Customer (including proof of federal, state and local tax identification numbers).

5.2 **Customer Responsibilities.**

5.2.1 Customer is responsible for (i) the accuracy of nexus and taxability determinations; and (ii) reconciliation of Customer data with Sovos output. Customer is solely responsible for audit defense. Upon Customer’s written request, Sovos will provide Customer with documentation and information related to the Managed Services performed by Sovos for Customer. Customer agrees to execute and deliver to Sovos any limited powers of attorney, client account agreements or any other authorization documentation necessary for Sovos to provide the Managed Services to Customer. Upon receipt from Sovos, whether electronically or otherwise, Customer will promptly review all tax returns and other reports prepared by Sovos for validity and accuracy according to Customer’s records and Customer agrees that it will promptly notify Sovos of any discrepancies. Sovos is not, and will not be, Customer’s official record keeper. Accordingly, Customer will, to the extent it deems necessary, keep copies of all source documents of the information delivered to Sovos.

5.2.2 **Funding.** Sovos’ obligation to provide the Managed Services is contingent upon Customer (a) having sufficient, good and available funds in Customer’s account; or (b) providing sufficient funds to Sovos via the method of delivery required by Sovos, within the deadline established by Sovos to satisfy Customer’s tax filing payment obligations in their entirety. Customer shall be liable for debits properly initiated by Sovos hereunder. Sovos may commingle Customer’s impounded funds with other customers’, Sovos’ or Sovos-

administered funds of a similar type. All amounts earned on such funds while held by Sovos will be for the sole account of Sovos or its service providers.

5.3 Managed Services are subject to the operating rules of the National Automated Clearing House Association ("NACHA"). Sovos and Customer each agree to comply with the NACHA rules applicable to it with respect to Managed Services.

5.4 Customer shall have Access and use of Sovos Sales and Use Tax Filing Cloud Solution ("Sovos Filing for Services").

6 **CHANGES.** Sovos may, from time to time and in its sole discretion, make changes to this document or the terms and conditions set forth herein, provided however, in no event shall Sovos make any changes that will degrade the products or services applicable to this Data Sheet without prior written notice to Customer. When Sovos makes changes hereto which do not degrade the products or services applicable to this Data Sheet, Sovos will provide notice as appropriate under the circumstances, e.g., by displaying a notice within the applicable Sovos products or services, by updating the Data Sheet located at <https://sovos.com/customer-legal-data-sheets/> or by sending Customer an email.

7 **TERMS AND CONDITIONS.** Customer's execution of an applicable Order Form for the Software and Services applicable to this Data Sheet signifies Customer's agreement to the terms and conditions in this Data Sheet and its acknowledgment that the Software and Services are provided under and is governed by such applicable Order Form and the separate written agreement between the parties that expressly governs Sovos' delivery of Software and Services (the "Governing Agreement").

8 **DEFINED TERMS.** Except as defined herein or otherwise required by the context herein, all defined terms used in this Data Sheet have the meaning set forth in the Governing Agreement.

This document constitutes a Data Sheet as defined in the Governing Agreement.

SOVOS MAKES NO WARRANTIES, EXPRESS OR IMPLIED, IN THIS DOCUMENT.