This Fee and ACH Authorization Agreement (this “Agreement”) provides information on the fees Upwork and its Affiliate Upwork Escrow Inc. ("Upwork Escrow") charge for use of the Site’s communication, invoicing, dispute resolution and payment services, including Payment Protection, and includes eligible Users’ authorization for debits and credits from and to their designated bank accounts via the automated clearing house network ("ACH"). This Agreement is part of the Terms of Service. Capitalized terms not defined in this Agreement are defined in the User Agreement, Site Terms of Use, or elsewhere in the Terms of Service.

By continuing to use the Site or the Site Services on or after the Effective Date, you accept and agree to this Agreement. To the extent permitted by applicable law and except as otherwise provided in the Terms of Service, we may modify this Agreement without prior notice to you, and any revisions to this Agreement will take effect when posted on the Site unless otherwise stated. However, we will provide advance notice of any increase in prices or fees. Please check the Site often for updates.

1. Service Fees Charged to Freelancers

Pursuant to the User Agreement, Upwork Escrow charges Freelancers a Service Fee for each payment their Client makes to the Freelancer on a Service Contract. Depending on certain features of the Service Contract, the Service Fees will be charged either as “tiered” or “straight” pricing, as discussed in further detail in this Section 1. Where applicable, Upwork or Upwork Escrow may also collect taxes (such as value added tax (VAT) in Europe) on Service Fees.

Pursuant to the Freelancer Membership Agreement, Upwork charges Freelancers a Membership Fee. Additionally, the use of various Payment Methods offered through the Site and the Site Services may incur added fees or charges. All Payment Methods will be posted on the Site along with any associated fees or charges, which we may update from time to time at our sole discretion. You hereby authorize Upwork to charge to you and to collect from you, (consistent with this Agreement, the User Agreement, or elsewhere in the Terms of Service), any fees, charges, or taxes described in this Section 1.

1.1 Tiered Pricing

We will charge you a Service Fee based on the total Freelancer Fees collected by you from your Client (less any refunds or reversals) for the duration of your relationship with your Client (the “Engagement Relationship”). Unless different pricing described in Section 1.2, 1.3, or 1.4 applies, the Service Fee rates decrease as the total Freelancer Fees you have collected from your Client for the Engagement Relationship meet certain thresholds as follows (“Tiered Pricing”):

<table>
<thead>
<tr>
<th>TOTAL FREELANCER FEES COLLECTED FROM CLIENT (per Engagement Relationship)</th>
<th>SERVICE FEE RATES</th>
</tr>
</thead>
<tbody>
<tr>
<td>$500.00 and below</td>
<td>20%</td>
</tr>
<tr>
<td>$500.01-$10,000.00</td>
<td>10%</td>
</tr>
<tr>
<td>$10,000.01 and up</td>
<td>5%</td>
</tr>
</tbody>
</table>

Below are some examples of Tiered Pricing.

Example 1. Fixed-Price Contract; Repeat Service Contracts

If a Freelancer and a Client who have never entered into a Service Contract together before agree to a $600 Fixed-Price Contract, the Service Fee will be calculated as follows:
The Service Fee will appear as a single amount in your Account, rather than separate amounts as shown in the example above. Examples in this Agreement are provided for illustrative purposes only and are not binding. Because of rounding, the Service Fees charged may differ slightly.

If the same Freelancer and Client agree to another $600 Fixed-Price Contract, the Service Fee will be calculated as follows:

<table>
<thead>
<tr>
<th>FREELANCER FEES</th>
<th>SERVICE FEE RATE</th>
<th>SERVICE FEES</th>
</tr>
</thead>
<tbody>
<tr>
<td>$600</td>
<td>10%</td>
<td>$60 ($600 x 10%)</td>
</tr>
<tr>
<td>Total Freelancer Fees: $600 (Total Engagement Relationship Fees: $1,200)</td>
<td>-</td>
<td>Total Service Fees: $60</td>
</tr>
</tbody>
</table>

If the same Freelancer and Client enter into additional Fixed-Price Contracts for different Service Contracts, the Freelancer Fees for each Service Contract will count toward the total Freelancer Fees collected for purposes of determining the Tiered Pricing that applies to the Service Fees. If the Freelancer collects $10,000 in Freelancer Fees from the Client, then the Service Fee on any additional Freelancer Fees for the Engagement Relationship with the Client will be 5% of the Freelancer Fees. For example, if the Freelancer has collected a total of $15,000 in Freelancer Fees during the Engagement Relationship and the Freelancer and Client enter into a new Fixed-Price Contract for $1,000, the Service Fee would be determined as follows:

<table>
<thead>
<tr>
<th>FREELANCER FEES</th>
<th>SERVICE FEE RATE</th>
<th>SERVICE FEES</th>
</tr>
</thead>
<tbody>
<tr>
<td>$1,000</td>
<td>5%</td>
<td>$50 ($1,000 x 5%)</td>
</tr>
<tr>
<td>Total Freelancer Fees: $1,000 (Total Engagement Relationship Fees: $16,000)</td>
<td>-</td>
<td>Total Service Fees: $50</td>
</tr>
</tbody>
</table>

Example 2. Hourly Contract

If a Freelancer and Client enter into an Hourly Contract for $50 per hour, and the Freelancer works 400 hours, the Service Fees will be calculated as follows:

Note: The Service Fee will appear as a single amount in your Account, rather than separate amounts as shown in the example above. Examples in this Agreement are provided for illustrative purposes only and are not binding. Because of rounding, the Service Fees charged may differ slightly.
1.2 Freelancers Working on Enterprise Client Contracts

If you are a Freelancer performing services for an Enterprise Client, the Service Fee rate is 10% of the Freelancer Fees, unless otherwise provided in the Enterprise Client contract. For purposes of the Terms of Service, "Enterprise Client" means a Client whose profile displays the following "Enterprise" badge:

![Enterprise badge]

1.3 Straight Pricing

Straight Pricing (defined below) applies if you entered into a contract before Upwork first started charging Tiered Pricing. As described in this Section 1.3, if Straight Pricing applies, we will charge you a Service Fee of 10% ("Straight Pricing"), as shown in the examples below.

<table>
<thead>
<tr>
<th>CONTRACT TYPE</th>
<th>FREELANCER FEES</th>
<th>SERVICE FEES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fixed-Price</td>
<td>$500</td>
<td>$50</td>
</tr>
<tr>
<td>Hourly</td>
<td>$50 for one hour</td>
<td>$5 for one hour</td>
</tr>
</tbody>
</table>

Note: Examples in this Agreement are provided for illustrative purposes only and are not binding. Because of rounding, the Service Fees charged may differ slightly.

1.4 Freelancers Working for Clients Using Upwork Payroll

Note: The Service Fee will appear as a single amount in your Account, rather than separate amounts as shown in the example above. Examples in this Agreement are provided for illustrative purposes only and are not binding. Because of rounding, the Service Fees charged may differ slightly.
If you are a Freelancer performing services for a Client using Upwork Payroll, your Client will continue to pay all applicable Service Fees as described in the Upwork Payroll Agreement. The pricing described in this Agreement does not govern Service Fees for the use of Upwork Payroll.

2. Payment Processing Fees Charged to Client

2.1 Payment Processing and Administration Fee of 2.75%

Regardless of the type of Payment Method used, we charge Clients a payment processing and administration fee of 2.75% on each payment made by the Client through Upwork (the "Payment Processing Fee"), except as otherwise provided in this Agreement.

If payments made by a Client are released to the Client Escrow Account for any reason or refunded by a Freelancer, the Payment Processing Fee, if applicable, will not be refunded.

Enterprise Clients are charged the rate(s) provided in the applicable Enterprise Client contract and are not charged the Payment Processing Fee, unless otherwise provided in the applicable Enterprise Client contract.

2.2 Flat Payment Processing Fee

Eligible Clients may elect to pay a payment processing fee of $25.00 for all payments in a monthly period (the “Flat Payment Processing Fee”) rather than the Payment Processing Fee for each payment. To be eligible for the Flat Payment Processing Fee, a Client must:

(a) have been a user of Upwork for at least 90 days;
(b) made payments of (i) at least $1,000.00 within the last year, and (ii) at least $25.00 more than 90 days ago;
(c) have not had any late or defaulted payments in the prior 12 months;
(d) have an Account in good standing, without violations of the Terms of Service; and
(e) either (i) use a U.S. bank account as a Payment Method or (ii) have a billing address in Australia, Canada, United Kingdom, or a country that uses the Euro and pay for the Site Services in your local currency using a credit or debit card.

Upwork reserves the right to make material modifications to the eligibility requirements for the Flat Payment Processing Fee at any time upon reasonable advance notice before the change becomes effective. Upwork may make modifications that are not material at any time, without advance notice.

If you sign up for the Flat Payment Processing Fee on the Site but do not comply with the above requirements for any given payment, the Payment Processing Fee will apply to that payment, in addition to the Flat Payment Processing Fee that will be charged to you for that month. For example, if you have a billing address in Canada but make a payment in U.S. Dollars rather than your local currency, the Payment Processing Fee will apply to that payment. The Payment Processing Fee for any given payment will also not be credited towards your Flat Payment Processing Fee.

2.3 Authorization for Automatic Payment of Flat Payment Processing Fee

You must pay the Flat Payment Processing Fee through your Client Escrow Account. Each Flat Payment Processing Fee covers a monthly billing period beginning on the date that you first make payment and ending one month later. For example, if you select the Flat Payment Processing Fee and are charged on the 15th of the month, the billing period will end on the 14th of the next month. You irrevocably authorize and instruct Upwork Escrow to automatically charge the Flat Payment Processing Fee to your Client Escrow Account at the beginning of each billing period. This authorization will remain in full force and effect until you change your settings in your Profile to select to pay the Payment Processing Fee, otherwise notify us that you wish to revoke your authorization by contacting Customer Support, or cancel your Account.
You can switch between paying the Flat Payment Processing Fee and the Payment Processing Fee at any time, but you will not receive a refund or a credit for any of the Flat Payment Processing Fee if you switch to the Payment Processing Fee before the end of a billing period. If you switch from paying the Flat Payment Processing Fee to the Payment Processing Fee, you will not pay the Payment Processing Fee until after the end of the billing period in which you make the switch. If you later elect to pay the Flat Payment Processing Fee, the date you make such election will be the first day of the monthly billing period.

3. Authorization for ACH Debits and Credits

If and to the extent permitted by Upwork in its sole discretion, Users may pay Freelancer Fees, Membership Fees, and other fees owed under the Terms of Service from their designated bank accounts. Subject to Upwork’s eligibility requirements, if you elect to pay Freelancer Fees or any other fees owed under the Terms of Service via ACH transfers from your designated bank account, you hereby authorize Upwork Escrow to electronically debit and, if necessary, electronically credit your designated bank account via ACH for such fees pursuant to the Terms of Service, and you agree to comply with the ACH rules issued by the National Automated Clearing House ("NACHA") and all applicable laws, including, but not limited to, the federal Bank Secrecy Act, the U.S.A. Patriot Act, and economic sanctions overseen by the Office of Foreign Assets Control (OFAC). Your authorization for ACH transfers contained in this Section 3 will remain in full force and effect until you notify us that you wish to revoke your authorization by removing your bank account information from your Profile or by contacting Customer Support. You understand that we require at least one (1) business day’s prior notice in order to cancel your authorization for ACH transfers contained in this Section 3.

You must notify us of any change in your designated bank account’s information at least five (5) business days before any such change by updating your bank account information in your Profile or by contacting Customer Support. If we do not receive notice at least five (5) days before any such change, we may attempt, in our sole discretion, to implement such change prior to any ACH debit or credit transfer performed pursuant to your authorization provided in this Section 3. However, we assume no responsibility for our failure to do so.

You may view a history of your Account transactions by logging in to the Site. You are solely responsible for promptly reconciling your Account transaction history with the transaction records for your bank account. You must notify us of any errors or discrepancies in your Account transaction history (each, an “Error”) within 30 days of when the Error could be viewed in your Account transaction history on the Site. If you do not notify us of an Error within 30 days of when the Error could be viewed in your Account transaction history on the Site, you will forfeit the right to contest the Error, except to the extent such forfeiture is prohibited by applicable law or the NACHA rules.

Subject to the foregoing notice requirement: (a) if and to the extent an Error is caused by us, we will correct the Error and (b) if an Error is caused by you, we may, but are under no obligation to, attempt to correct the Error and will offset any costs we incur from any funds returned to your bank account or your Client Escrow Account, as applicable.