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 clicking to accept the Terms of Service on the Site or by continuing to use the Site or the Site Services on or after the effective date noted above, 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 affecting current Users. Please check the Site often for updates.

1. 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. These Membership Fees automatically renew until they are cancelled as described on the Site.

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 to $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:

<table>
<thead>
<tr>
<th>FREELANCER FEES</th>
<th>SERVICE FEE RATES</th>
<th>SERVICE FEES</th>
</tr>
</thead>
<tbody>
<tr>
<td>$500</td>
<td>20%</td>
<td>$100 ($500 x 20%)</td>
</tr>
<tr>
<td>$100</td>
<td>10%</td>
<td>$10 ($100 x 10%)</td>
</tr>
</tbody>
</table>

*Total Freelancer Fees: $600 (Total Engagement Relationship Fees: $600)  Total Service Fees: $110*  

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 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>
</tbody>
</table>

*Total Freelancer Fees: $600 (Total Engagement Relationship Fees: $1,200)  Total Service Fees: $60*  

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>
</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:

<table>
<thead>
<tr>
<th>HOURS WORKED</th>
<th>FREELANCER FEES (hours x freelancer rate)</th>
<th>SERVICE FEE RATES</th>
<th>SERVICE FEES</th>
</tr>
</thead>
<tbody>
<tr>
<td>First 10 hours</td>
<td>$500</td>
<td>20%</td>
<td>$100</td>
</tr>
<tr>
<td>190(Hour 11 to 200)</td>
<td>$9,500</td>
<td>10%</td>
<td>$950</td>
</tr>
<tr>
<td>200(Hour 200 to 400)</td>
<td>$10,000</td>
<td>5%</td>
<td>$500</td>
</tr>
<tr>
<td>Total Hours: 400</td>
<td>Total Freelancer Fees: $20,000</td>
<td></td>
<td>Total Service Fees: $1,550</td>
</tr>
</tbody>
</table>

**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, including a legacy Enterprise client or an Upwork Business Client, whose profile displays the following “Enterprise” badge:

![Enterprise Badge]

1.3 Alternate Pricing

Alternate Pricing (defined below) only applies to Service Contracts when any of the following are true:

(a) you entered into the Service Contract before Upwork first started charging Tiered Pricing;

(b) you entered into the Service Contract pursuant to a feature of the Site where we advertised a different Service
Fee, such as our Featured Job Post for Clients; or

(c) the Service Contract is with a Client who is not an Enterprise Client, but who has a legacy arrangement for lower fees that apply to the Service Contract.

As described in this Section 1.3, if Alternate Pricing applies, we will typically charge you a Service Fee of a fixed percent (“Alternate Pricing”), as shown in the examples below. The Service Fee under Alternate Pricing is a flat 10% unless other rates for Alternate Pricing are expressly communicated to you, including by communications through the Site.

<table>
<thead>
<tr>
<th>CONTRACT TYPE</th>
<th>SERVICE FEE</th>
<th>FREELANCER FEES</th>
<th>SERVICE FEES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fixed-Price</td>
<td>10%</td>
<td>$500</td>
<td>$50</td>
</tr>
<tr>
<td>Hourly</td>
<td>10%</td>
<td>$50 per hour</td>
<td>$5 per 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.

For certain Service Contracts, the Alternate Pricing may be a lower flat percentage (such as through a “bring your own” program) or may have a different tiered fee rates (such as for a Featured Job Post), in each case as clearly stated on the Site at the time the Service Contract was or is entered into. When there is a different tiered fee rate, the initial rate will be as clearly stated on the Site, and once the Service Fees on the Engagement Relationship exceed $10,000, the Service Fee will be reduced to 5%, unless otherwise clearly communicated to you, including by communications through the Site.

1.4 Other Fees

Freelancers may also choose a membership with an associated membership fee (the “Freelancer Membership Fee”) and choose to purchase “Connects”, in each case as described in the Freelancer Membership Agreement and on the Site.

2. Client Membership Fees

Upwork offers several membership plans for Clients, which each include access to certain features and services of the Site, as described on the Site here (each plan a “Client Membership Plan”). Current Client Membership Plans are Upwork Basic, Upwork Plus and Upwork Business. Upwork Basic is free and does not require a monthly membership fee. Fees for Client Membership Plans, if any, automatically renew until they are cancelled as described on the Site.

Upwork reserves the right to change membership fees, change the features and services included in each Client Membership Plan, change the membership fees or fees for certain premium services or options, or institute new fees at any time, in each case upon reasonable notice posted in advance on the Site. No refunds of fees already paid will be given. If Upwork exercises its right to cancel a membership, Upwork will not refund the membership fee already paid unless otherwise required by law.

2.1 Taxes

Where applicable, Upwork may also collect taxes (such as value added tax (VAT) in Europe) on membership fees and the cost for premium services or features, as set forth in the User Agreement.

2.2 Automatic Membership Renewal
You must pay your Upwork membership fees through your Upwork Escrow Account. The membership billing period begins on the date that Upwork receives payment. Upwork membership fees are calculated from the beginning of that billing period. After any free membership period, Upwork automatically renews your Upwork monthly membership, and you irrevocably authorize and instruct Upwork Escrow Inc. to make the required monthly payments to Upwork on your behalf. Automatic renewal occurs on the first day after the expiration date.

2.3 Changes to Membership Plans

If you change your Client Membership Plan, the new program and new billing period will be based upon the date Upwork receives payment of the new membership fee. If you upgrade a membership, it will result in a new billing date effective upon the date of payment of the additional fees and, if applicable, will result in a credit of the unused portion of the existing category membership fees. If you downgrade a membership, you will not receive a refund or credit for the fees already paid. The downgrade will go into effect at the beginning of the next billing period. Upwork reserves the right to modify its Client Membership Plans at any time, upon reasonable notice posted in advance on the Site.

For more information on upgrading, downgrading, or canceling your membership, check the Site or contact Customer Support.

3. Payment Processing Fees Charged to Client

Regardless of the type of Payment Method used and Membership Plan selected, we charge Clients a Payment Processing Fee (defined below) as described in this Section 3.

3.1 Payment Processing and Administration Fee

Upwork charges Clients on the Upwork Basic plan a payment processing and administration fee of 3% on each payment made by the Client through Upwork (the “Payment Processing Fee”).

For Clients on an Upwork Plus plan, their monthly membership fee includes the payment processing and administration fee for each payment made when the following criteria are all met:

(a) the Client has been a user of Upwork for at least 90 days;
(b) the Client has 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) the Client has not had any late or defaulted payments in the prior 12 months;
(d) the Client has an Account in good standing, without violations of the Terms of Service; and
(e) the Client uses a U.S. bank account as a Payment Method for the payment.

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 will not be refunded.

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

3.2 Existing Client Payment Processing Fees

Clients who signed up to Upwork before the availability of the Client Membership Plans (“Existing Clients”) will maintain their existing payment processing and administration fee arrangements until July 12, 2019, or such later date, if any, that
is explicitly provided to you in email (such date, the “End Date”). After July 12, 2019 (or a later End Date, if applicable), all Clients will be charged a payment processing and administration fee as described in Section 3.1. If an Existing Client chooses to move to a Client Membership Plan, the Client will be subject to the payment processing and administrative fees associated with that Client Membership Plan (see Section 3.1) and will not be able to revert to their prior arrangement.

Existing Clients who did not opt into the Flat Payment Processing Fee (defined below), pay Payment Processing Fees on the same terms as described under Section 3.1 except the fee is 2.75% instead of 3%.

Eligible Existing Clients who previously elected 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 remain eligible for the Flat Payment Processing Fee as described herein. To be eligible for the Flat Payment Processing Fee, a Client must:

(a) have been a user of Upwork for at least 90 days and have elected to use the Flat Payment Processing Fees before the availability of the Client Membership Plans;

(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 the 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 signed up for the Flat Payment Processing Fee on the Site but do not meet the above requirements for any given payment, the Payment Processing Fee of 2.75% will apply to that payment, in addition to the Flat Payment Processing Fee that will be charged to you for that month. The Payment Processing Fee for any given payment will not be credited towards your Flat Payment Processing Fee.

4. Authorization for Automatic Payment of Recurring Client Fees

You must pay the Client Membership Plan fees, if any, and Flat Payment Processing Fee, if applicable, through your Client Escrow Account. Each Client Membership Plan fee, if any, and each Flat Payment Processing Fee, if applicable, 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 Upwork Plus plan 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 fees for the Client Membership Plan, if any, and Flat Payment Processing Fee, if applicable, 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 change your Client Membership Plan, otherwise notify us that you wish to revoke your authorization by contacting Customer Support, or cancel your Account.

You can switch between Client Membership Plans at any time, but you will not receive a refund or a credit for any of the Client Membership Plan fee for a given month if you downgrade your membership, including by switching to a free Client Membership Plan, before the end of a billing period. However, if you switch to a free Client Membership Plan, you will still
have your paid Client Membership Plan until the end of the billing period.

5. 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, fees for Client Membership Plans, 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 5 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 5.

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 5. 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.